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RELIGION AND ECONOMIC RESPONSIBILITY

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RELIGION and Economic Responsibility

WALTER GEORGE MUELDER

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A

TO MY PARENTS

EPKE HERMANN MUELDER

AND

MINNIE HORLITZ MUELDER

who established in me both religion

and concern for economic responsibility

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PREFACE

The conception of a responsible society commands respect when seen in contrast to ideologically extreme positions. Responsibility is a thoroughly constructive idea. It goes beyond the mere negation of the traditionally rival economic orders classified as laissez-faire or capitalistic and communistic. When the first Assembly of the World Council of Churches rejected both capitalism and communism it left the problem of a constructive position open. The Assembly, however, did lift up the idea of the responsible social order. It is hoped that these essays will provide a stimulus to the development of the ethical applications of that leading idea. The ecumenical interests served are not only theological, but also philosophical, social and cultural. Responsibility involves many things. Minimal components include the ideas of human dignity, moral obligation, freedom, values, social goals, participation and interpersonal solidarity. In the context of the present volume it involves also a growing, exploratory and empirical social ethics. On the one hand, the essays seek to keep close to the actual ethical dilemmas of the present age; on the other hand, they seek, in the interest of moral and religious objectivity, to be independent of any special interest or movement however radical or conservative its aim. Responsibility must go beyond both accommodation and negative moral protest. Ideal possibilities alone do not suffice; responsible possibilities must be in principle practicable. The options presented to freedom and moral obligation are those concretely present in historic situations.

The conception of economic responsibility must be further delineated lest the reader wrench the economic aspects of culture from the whole of which they are an integral part. These essays focus on problems which have often been treated as isolated economic matters. Economic values are, strictly speaking, instrumental and have no adequate meaning apart from the consideration of inclusive intrinsic or consummatory values. Mankind seems to be slowly and painfully struggling toward a responsible society, an important dimension of which is preoccupied with choices regarding economic values. Concern for economic needs is an indispensable aspect of respect for human dignity and interdependence. Labor, management, collective bargaining, property, profit, cartels and the like issues must be viewed within a broad cultural context.

From the perspective of theistic religion responsible economic choices involve not only the culturally determined nuances of such values as human dignity and solidarity but also their relation to the principle of ultimate meaning. Religion in the Judaeo-Christian tradition makes personality and community coordinate with ultimate accountability to God. God is at work in history seeking to create in cooperation with man's free response a true community characterized by righteousness and love. The continuity of the prophetic movement in the Old Testament and the new fellowship under the Kingdom of God in the New Testament gives so broad a base to the ethical motivation involved in the responsible society that it has seemed best to employ the general term "religion" rather than the term "Christian" in any denominational or confessional sense. But Christian values are in any case presupposed. At the same time, they are presented in such broad terms as are compatible with the values expressed in the U.N. Commission on Human Rights whose Western, Christian and universal character are quite apparent.

Moreover, the writer has drawn widely on scientific and philosophical research in the socio-economic field for many of his analyses. Specifically, he has presupposed the communitarian orientation of personalistic social ethics. A thoroughly personalistic metaphysics underlies the whole argument. Although many readers with other philosophical or theological orientations will find these essays ethically congenial, it has seemed best to make explicit the most general postulates in Chapter One. For the full metaphysical and ethical perspective and its delineation and demonstration, the reader is referred to such writers as Lotze, Bowne, Brightman, Flewelling, Casserley, Knudson, DeWolf, Troeltsch, Boodin, P. E. Johnson, Bertocci, Farmer and others. It seems quite clear today that only a theology which is friendly to philosophy can be fully relevant to problems of contemporary culture. Philosophy is the great constructive discipline bringing together synoptically the claims of religion and social science. Only a philosophy which employs synopsis and coherence can relate adequately the claims of theology to scientific analyses of the economic order. There is in these remarks no intended disparagement of theology but only a recognition that it, too, is integral to the warp and woof of culture. If these essays will encourage others to work along inter-disciplinary lines more adequately than has been done here, one of the main objectives of the volume will have been achieved.

There is no place today for disciplinary conceit or arrogance. The sciences, philosophy, religion and theology have much to learn from each other. They are not island universes. Each must be supplemented by the others in a dialectical whole. In the quest for a responsible world community they must be synthesized in the concrete unity of theory and practice. Responsibility is neither abstract moral and spiritual idealism nor expedient realism. Philosophical theology must therefore be related to empirical social science. The writer has found the following scientific authorities especially helpful: MacIver, Mayo, Benedict, Meade, Malinowski, Herskovits, Kluckhohn, Mannheim, Lynd, J. M. Clark, Yinger, Pope, Moore, Berman, Allport, Boulding, Golden, Chase, Knight, Weber, Lester, Shister, Ruttenberg, Stocking, Watkins, Lorwin and the writers associated with the National Planning Association doing the studies on the *Causes of Industrial Peace through Collective Bargaining.*

Six of the seven Chapters were first delivered at King's Chapel in Boston under the auspices of the Lowell Institute in the winter of 1951. The writer wishes to express his deep appreciation to the officers of the Lowell Institute for the honor of being invited to deliver this series of lectures. Chapter VI of the present volume has been added to bring out more completely the conception of participation as an integral aspect of responsibility. In keeping with the tradition of a public lectureship the character of the treatment is semi-popular. No pretense at technical thoroughness is to be met with. Clarity and simplicity rather than refinement of scientific precision has been the goal. The author attempts to bring together materials usually left unintegrated rather than originality in hypothesis or subtlety of argument. Churchmen, both lay and clerical, who seek to relate their religious faith to economic realities are the natural constituency of this effort in adult education. These essays are thus addressed to a wider Lowell Institute audience.

These essays, therefore, make no pretension at completeness of treatment. Although they do present a certain unity of design, they leave many crucial problems untouched. The reader therefore will note many lacunae both on the side of philosophy and theology as well as on the side of social science and practical economic affairs. For this reason, the discussions are more suggestive than definitive. A subsequent systematic treatise hopes to develop many themes which are here taken for granted or omitted. The present chapter titles illustrate rather than define religion and economic responsibility.

A statement of some of the objectives of these essays therefore may assist the reader in understanding best what the writer has attempted to communicate. Religion is an integral part of culture. Indeed, it deals with those supreme value-impregnated beliefs which are central in the organization and conservation of culture. Religion is an attitude toward God or ultimate reality. Economic values are also integral to culture. They are essentially instrumental in character. In cultures like our own, however, they have enormous symbolic significance as well as providing the means for the realization of intrinsic cultural objectives. Economic life constitutes a distinct challenge to religion in the Judaeo-Christian tradition because the means tend to usurp the role of ends. Moreover, organized religion does not play always either a central or peripheral role in society. Institutionally its role has thus been problematical. Then, too, within Judaism and Christianity there is a prophetic tension. The tradition of ethical monotheism provides a dialectical element in Western culture that must constantly be kept in mind. Christianity is neither essentially accommodative nor essentially protestant. There is a dialectical unity of accommodation and dissent which makes the prophetic element in organized Christianity distinctive. Rauschenbusch, Troeltsch, Richard Niebuhr, Pope, Yinger and Tillich have understood this dialectic and have made important contributions both with respect to social theory and with respect to the social gospel of the Church. The idea of the responsible society incorporates this insight within it.

Another objective of the essays is to lift up the notion of religious vocation and relate it to both labor and management. The motives, incentives, goals and quality of participation in all economic life bear directly on the doctrine of vocation. There is renewed interest today in the relevance of the principles of personality, community and ultimate meaning to the individual and group practices of workers and managers. An attempt is made to show how individual and group aspects of economic life interpenetrate. Contemporary issues are rooted in the historic origins of the religious perspectives. Religious vocation should express itself in the critical, creative and responsible participation of persons and groups in the economic process. Chapters II and III attempt to lay the foundations for a revival of the doctrine of vocation. They indicate standards for criticizing the capitalistic order, but also, as in Chapter VI, the quality of participation by all levels of the population in the economic life of the Soviet Union. Moreover, they seek to point the direction normatively for work of all kinds in tomorrow's world.

In Chapter IV an attempt has been made to relate all the foregoing to the ethical problems of collective bargaining in the United States. Once again, the treatment is selective. Special attention is given to the generally neglected area of constructive industrial relations growing out of collective bargaining. Collective bargaining is by no means the chief cause of industrial peace. It is nonetheless important, however. It promises to continue as one of the crucial relationships in American economic life both in peace and war, in boom or bust. By summarizing the chief findings of eight studies made by the National Planning Association, we have tried to indicate some empirical and clinical aspects of economic responsibility within the American context. At the same time we have tried to show what the limitations of collective bargaining may be. We have pointed to the emergent problems of greater participation by organized labor in industrial decisions now reserved to the prerogatives of management and greater political responsibility of a maturer quality than that expressed in earlier periods, such as political pressure tactics. Both types of increased participation, while consonant with prophetic religion as here conceived, raise questions of power in the economic order and indicate a coming period of increased tension and unrest. However, if the lessons learned in the eight special case studies should become generally accepted, this time of possible troubles would be greatly pacified.

The new power of trade unions and the rising challenge of communism places the question of property also at the center of economic life. Chapter V reviews both Biblical, philosophical and cultural backgrounds of the major conceptions of property. The chief emphasis is on the fact that property must be defined not primarily in terms of things owned but in terms of the relations of persons and groups to each other with respect to scarce or potentially scarce values. Thus even private property is very much a social affair. As the concept of responsibility develops there is bound to be a continual redefinition of moral and legal claims among persons individually, among associations and corporations, and with respect to the community as a whole. There is no one *a priori* form of property which is best for all times and places. The relation of these considerations to a mixed economy is developed in part.

Inasmuch as the problems of responsibility in economic life are developed primarily within the practical context of Western and American society, it is instructive to point up the chief issues as they emerge from an empirical analysis of Soviet experience. On the scientific side special note is taken of the recent researches made at Harvard University. The main interest in discussing the U.S.S.R. is not one of negative criticism but of lifting up the crucial issue of personal and social values attending certain types of participation. Religion has had in Russia an historical relation to the quality of this participation. The relation of economic life to culture as a whole is again demonstrated to be organically integral. Without a revival of prophetic Christianity in the Soviet Union the Church cannot play its proper role in the social redemption of proletarian power. The influence of religion on law is very instructive.

Our final objective has been to indicate how the principles of economic responsibility apply to the world order. Indeed world-wide applicability constitutes a criterion of ethical validity. Universality as an ethical norm is no longer a rational abstraction but a concrete challenge. In the light of the inclusive community of mankind such loyalties as are embodied in terms like nationalism, national planning, imperialism, cartels, colonialism, advanced and backward peoples, constitute a persistent challenge to religion. Ethical monotheism thus takes on new meaning as the ultimate frame of reference for social justice. We have tried to suggest some of the main lines of commitment which this type of responsibility imposes on persons who take religion and economic life seriously.

WALTER G. MUELDER

Boston, Massachusetts
January, 1953

RELIGION
AND ECONOMIC
RESPONSIBILITY

CHAPTER I

A RELIGIOUS APPROACH TO ECONOMIC LIFE

For want of bread many a man will sell his freedom. For want of religion many a man will buy another's freedom with bread. What kind of household management in society as a whole is compatible with true religion? Economics is a term derived from two Greek words meaning "household" and "management." Religion is a term derived from the Latin meaning to "bind closely." "Freedom" has its root in the Saxon culture referring to one who was a member of the household as distinct from a slave, i.e., one who had the status of being valued or cherished in the membership of a family. These root meanings may serve to introduce us to the problem of this book. How is religion to be related to economic life so as to make for mutual responsibility in the whole family of mankind?

Religion and economics have, of course, a long history. Not all historical forms of either are relevant for our enquiry, for we are concerned about religion at its best and economic life at its best. There is no point in apologizing either for what some religions have been in the past and what certain ones are today. Their spectacle, as Bergson says, is "indeed humiliating for human intelligence." [1] Much religion is opium or worse. Neither is there much point in praising economics as such, for some recent and current forms of economic life, which even scholars have defended, have displayed not only irresponsibility for the general welfare but downright contempt for human beings. Our own values and criticisms will become clearer as we sketch various facets of the subject in general and try to show how the deeper insights of religion reveal the directions of change required in economic life if society is to be called properly responsible.

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[1] Henri Bergson, *The Two Sources of Morality and Religion*, p. 92.

I.

VARIETIES OF RELATIONSHIPS

Religion and economic life have been interrelated in a variety of ways. The conception of the varieties of religious experience to which William James gave such a classical formulation in the lives of individuals has its counterpart in economic relationships. No universal sociology of religion has as yet succeeded in encompassing the interaction of all the major expressions of religion and economics. Primitive communism, individual asceticism, Baalistic agriculture, Old Testament prophecy, the eleemosynary institutions of the early church, communal monasticism, the church as feudal lord, Protestantism and capitalism, the caste system in Hinduism, the sanction of the church for *apartheid* in South Africa, the American Friends Service Committee, and the conflict between Catholicism and Communism suggest the complexity of the data from a sociological point of view. Almost as diverse as the historical phenomena have been the theories of interpretation.

Both religion and economic life are aspects of culture. Both have individual and social expression. Both have influenced and are influenced by other aspects of culture. Religion, as Allport has pointed out,[1] has to do with desire, and among the desires are food, clothing, and shelter. But it has also to do with unifying meanings and with fears like death, sickness, poverty and ostracism. These latter all have their economic aspects. The social effects of religious experience may be quite unlike the motives of the individual people who have the experience as when the Roman Catholic eats fish on Fridays and the republic of Israel places a ban on the importation of non-Kosher meats.

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[1] G. W. Allport, *The Individual and His Religion*, pp. 9 f.

Confusion in economic goals and ideals in a country like America is probably related to confusion in the social and ethical teachings of the churches. One writer says frankly: "The social and ethical teaching of present-day Christianity is diverse, ambiguous and self-contradictory because in our culture the prevalent beliefs about what is right have this character."[2] He assigns to Christianity a definitely secondary role in Western history: "The dynamic drive came largely from the side of economics and technology, the interest in religion having become secondary. . . . As soon as any change was definitely accomplished, the result became the state of affairs called for by the original Gospel, and a product of its teachings. The modern economic order of free enterprise and market competition has been Christian to those who favored and unchristian to those who opposed it (at least those Christians) from its inception to the days of social planning."[3]

What Professor Knight's theory does not take account of are the religious reasons why some have favored and some have opposed the laissez-faire order. The same question, finally a very crucial question, is: why do some religious persons defend capitalism and others communism? In any event, the history of modern Protestantism and Catholicism shows a positive and active interest and influence of these groups on the economic order. Professor Kenneth E. Boulding states that "it is not the physical resources so much as the human resources of a society which determine the course of its economic development, if any, whether toward riches or toward poverty. Men have languished in utter poverty in the midst of great natural resources, and have wrung comfort and even luxury from stern and unfriendly physical environments. It is what lies in the minds of men that determines, for the most part, whether a society shall grow in productive power; it is only this growth that has carried man from a pitiful, half-starved savagery to the splendor, comfort and dangers of civilization, and this growth is closely associated with the nature of the dominant religion."[4]

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[2] Frank H. Knight, *The Economic Order and Religion*, p. 28.

[3] Ibid., pp. 23-24. See the important exchange between Knight and Herskovits in M. J. Herskovits, *Economic Anthropology*, pp. 507-531.

We have here, then, two views of the relative roles played by religion and economic life. One gives to religion a subordinate or secondary role, even a peripheral one. The other view makes it much more determinative. As a classical expression of the first viewpoint we may recall that Marx and his followers assign to religion only a superficial role since it is effect rather than cause. When social life becomes truly scientific, non-exploitative, secure and rational there will no longer be any need for religion. We shall explore this economic interpretation of culture and religion more fully later on. The second view, held by Max Weber and others, is less general in its theory and claim, but does allow for the positive influence of religion in the evolution of the economic and social order. Judging by the vitality of the research which he has stimulated in many of the social sciences as compared with the Marxist dogma, we must certainly consider Weber as seriously as Marx. The truth may, of course, lie elsewhere than in either of these perspectives. There are issues like the relation of means and ends and plurality of possible interrelations of economic and religious institutions.

One of the basic facets of our problem is the fact that economic goods are instrumental. They are almost exclusively means, not ends. Religion, on the other hand, has to do with values which man regards as supremely worthful. Food, clothing, shelter and money, the impersonal and anonymous medium of exchange, are but instruments for the higher ends of personal and social life. Our problem is thus in part the question of what that aspect of culture which deals with ultimate *ends* has to say about that material part of culture which constitutes *means.* How must we handle the *means* of culture in order to be considered responsible human beings? What do we do when means become absorbing ends?

In his excellent study of the relation of village churches to the mills of Gaston County, North Carolina, Dean Liston Pope sketches *six* types of possible relation between religion and economic institutions. Religious institutions might be: (a) in dynamic terms, a source of economic changes or a product of prior economic changes; (b) in static terms, a sanction on the prevailing economic organization and economic culture or an antagonist to the prevailing economic organization and economic culture; or (c) in purposive-functional terms, indifferent to the economic sphere as such or irrelevant to economic results, in the sense that no effective contact is established with economic realities.[5] In the development of the relations during a sixty-year period, from the coming of the mills to the thirties, Pope found that "religious influences . . . have not provided either the center or the circumference of culture in the context under observation. . . . At nearly all points the relation between religious and economic institutions has been symbiotic, or reciprocal, in character, whether in processes of institutional growth, social control, or cultural defense. It has not been parasitic or completely unidirectional in any of these processes; the pattern of interaction has been composed of mutual interrelationships at each point. . . . During the period as a whole economic factors have more nearly shaped religious institutions than been shaped by them." [6]

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[4] From the chapter "Religious Perspectives of College Teaching in Economics" by Kenneth E. Boulding in Hoxie N. Fairchild, *Religious Perspectives in College Teaching,* copyright 1952, The Ronald Press Company.

The relationships in this case study were discovered to be complex and therefore may encourage us to regard critically any theory of simple causal relationships. At various times and in diverse ways the churches have been "both source and product of economic developments." Their strategy has notably used "both indifference and irrelevance." But they have also "provided powerful sanctions for prevailing economic arrangements." At times there have been slight traces of antagonism to those arrangements, though in Gaston County the churches have been less active in this mode of relationship than in any other. "In short," Pope concludes, "all six of the possible types of interrelationship between religious and social institutions have been exemplified at one time or another." [7] There is no inherent reason, therefore, we may add, why the religious institutions should not exert a creative and definite role in the culture and economic life of that county, though definite conditions would have to be met if they were to do so.

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[5] *Millhands and Preachers* (New Haven: Yale University Press, 1942), pp. vii-viii.

[6] Ibid., pp. 331 f.

Religion must understand the nature of its prophetic function if it is to assist in the development of responsibility in economic life. Religion must be aware of the self-transcending ethical reality of its own heritage in the West if it is to be responsible. It must be able to analyze the functions and powers and dilemmas of the economic order if it is to be effective. The present writer agrees with Dean Pope that the churches in Gaston County, or anywhere for that matter, can be a source of culture transformation only as they transcend the immediate culture in which they function and this means achieving "larger structural independence and cultural transcendence of the economic institutions." It means, moreover, finding economic and social standards which are relevant to the changing order, consistent with the prophetic element in the Jewish-Christian heritage, and coherent with the development of an interdependent, worldwide community.

We must consider, therefore, some of the economic attitudes which religious leaders have emphasized in Western life.

II.

RELIGIOUS JUDGMENTS ON ECONOMIC LIFE

Some religious ideas and attitudes do have economic implications. Leaders of Protestantism like Luther and Calvin, the primacy of whose motives can hardly be challenged to have been religious, had rather definite economic doctrines. Luther raises the question, "Can Christians be tradesmen?" He answers: "If we were to accept the principle that everyone may sell his wares as dear as he can, and were to approve the custom of borrowing and forced lending and standing surety, and yet try to advise men how they could act the part of Christians and keep their consciences good and safe,—that would be the same as trying to teach how wrong could be right and bad good, and how one could at the same time live and act according to the divine Scriptures and against the divine Scriptures. In these three errors,—that everyone may sell what is his own as dear as he will, borrowing, and becoming surety,—these I say, are the three sources from which the stream of abomination, injustice, treachery and guile flows far and wide: to try to stem the flood and not stop up the springs, is trouble and labor lost." [1] Luther would today be regarded as a reactionary, but there can be no doubt that he believed trading to be incompatible with the Christian life. Examine, if you will, this list of headings on the "Evils of Trading": (1) Raising the Price of goods sold on credit; (2) Raising the Prices because of Scarcity; (3) Cornering the Supply; (4) Underselling Competitors; (5) Dealing in Futures; (6) Combinations for controlling the Supply; (7) Bankruptcy; (8) Borrowing capital with Fixed Charges or Interest; (9) Transferring Claims; (10) Cheating through Tampering with Quality, Weights, Measures, and the like; (11) Practices of the Robber-Barons, Taxing Merchants who cross Territories; and (12) Practices of Trading Companies in Making up on one Article what they have lost on Another.[2]

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[7] Ibid., p. 332.

John Calvin draws a direct ethical and economic consequence from the revelation of God: "Let it be remembered by whom this account is demanded that it is by him who has so highly recommended abstinence, sobriety, frugality, and modesty; who abhors profusion, pride, ostentation, and variety; who approves of no other management of his blessings, than such as is connected with charity; who has with his own mouth already condemned all those pleasures which seduce the heart from chastity and purity, or tend to impair the understanding." [3] Then he proceeds to argue: "To prevent universal confusion being produced by our folly and temerity, he has appointed to all their particular duties in different spheres of life. And that no one might rashly transgress the limits prescribed, he has styled such spheres of life *vocations,* or *callings.* Every individual's line of life, therefore, is, as it were, a post assigned to him by the Lord, that he may not wander about in uncertainty all his days. And so necessary is this distinction, that in his sight all our actions are estimated according to it, and often very differently from the sentence of human reason and philosophy." [4]

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[1] M. Luther, *Works, IV*, p. 25.

[2] Ibid., *IV*, pp. 25-36.

[3] *Institutes*, Book III, Chapter 10, par. 5.

That the social implications of Calvin's doctrines ran counter to those of Luther's is not of major consequence in this connection, though these like other differing doctrines must be taken account of presently. We are seeking to emphasize that the religious leaders of modern times carried over implications from theology into economic life. Even John Wesley cannot be overlooked in this connection. In his sermon, "The Use of Money," Wesley wrote: "Neither may we gain by hurting our neighbor in body. Therefore, we may not sell anything which tends to impair health; such is evidently all that liquid fire, commonly called drams or spiritous liquors." In his *Thoughts on Slavery* (1774) Wesley argued: "Give liberty to whom liberty is due, that is to every child of man, to every partaker of human nature. Let none serve you but by his own act and deed, by his own voluntary choice. Away with all whips, all chains, all compulsion." The earliest Methodist doctrine of stewardship of wealth was that of radical sharing. "Gain all you can. Save all you can. Give all you can." The famous formula meant "Give all you have." "Hoard nothing," Wesley said. Radical giving is the only way of extracting the poison from riches. Again he said: "Everything about thee that costs more than Christian duty required thee to lay out, is the blood of the poor!" His sermons on riches are vigorous and severe. Continually he emphasized the principle that riches are forbidden as plainly as murder and adultery. In 1743 he wrote: "If I leave behind me £10, . . . I bear witness against me that I lived and died a thief and a robber." He strictly admonished parents not to "seek riches for your children by marriage." It was thus a serious and sober stewardship which Wesley enjoined, a lifelong Christian vocation.[5]

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[4] Ibid., Book III, Chapter 10, par. 6.

When we turn from individual Protestant leaders, whose names are associated with great denominations, to the social encyclicals of the popes we find equally explicit and even more systematically developed economic doctrines and calls to action. As early as 1878 Leo XIII developed the bases of Roman Catholic opposition to what he called the "pest of socialism." He laid down there the unalterable opposition of the church to socialism in all its forms. In *Rerum Novarum* published in 1891 he attempted to prove that private property was a natural right, that workmen should organize into associations, that capitalism was a faulty economic order, and that the field of production and distribution was not the proper province of the state. Rather, that was reserved by natural law (i.e. the eternal law of God as perceived self-evidently by right reason) to the family and the individual. On the basis of this encyclical Pope Pius XI promulgated in 1931 his *Quadragesimo Anno* dealing with the reconstruction of the social order. Here is developed at great length an almost absolute attack on communism. Later encyclicals on "Atheistic Communism" and those by Pius XII continue the exposition of economic implications of Catholic Christianity. These social analyses also strike vigorously at the misuse of power and the perversions of economic function in contemporary capitalism.

> ". . . It is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure." "This accumulation of power, the characteristic note of the modern economic order, is a natural

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[5] See W. G. Muelder, "Methodism's Contribution to Social Reform," in W. K. Anderson (ed.), *Methodism*.

> result of limitless free competition which permits the survival of those only who are strongest, which often means those who fight most relentlessly, who pay least heed to the dictates of conscience." This concentration of power has led to a threefold struggle for domination. "First, there is the struggle for dictatorship in the economic sphere itself; then, the fierce battle to acquire control of the state, so that its resources and authority may be abused in the economic struggles; finally, the clash between states themselves." [6]

From the side of religious leaders and churches, then, we note that religious doctrine has definite implication for the economic order. The concern over interest, the rules of trading, the quality of goods produced, the sense of vocation in one's work, the stability of work relationships, the human consequences of production, the morality of inheritance, the legitimacy of private property, the problems of socialism, the danger of economic power, and the motives of men in competitive and collective enterprise and many others are the topics covered in these brief excerpts from a large literature. Whatever men in business and industry may infer about these religious doctrines, it is clear that from the side of religion the economic order is a problem. In the scheme of the Catholic social philosophy all social institutions must be so regulated and ordered that they enhance and do not hinder man's progress to his supernatural end. Since salvation is viewed as dependent upon the sacramental system of the church, all other social institutions must be subordinated to the work of the church. The "natural" institutions, like the family and the state, and the school and the shop, should take their proper location of subsidiary to the perfect supernatural institution of the church.

When we turn to the inclusive economic philosophies which are emerging in Protestantism we find the most representative expressions in the ecumenical conferences. Outstanding have been the morally authoritative, though not authoritarian, judgments of the Oxford and Amsterdam Conferences. For Protestantism, as for Catholicism, the problems of the economic order are part of the problem of salvation. The economic life of the world presents grave challenges to the spiritual life. The economic order of the industrialized world, says the Oxford Conference Report of 1937, affronts the moral and spiritual nature of man in four respects:

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[6] *Quadragesimo Anno,* paras. 105, 107, 108. See J. Husslein, *Social Wellsprings* for a usable edition in two volumes of the social encyclicals of Leo XIII and Pius XI.

> "(a) *The Enhancement of Acquisitiveness.* That economic order results, in the first place, in a serious danger that the finer qualities of the human spirit will be sacrificed to an overmastering preoccupation with a department of life which, though important on its own plane, ought to be strictly subordinated to other more serious aspects of life."
>
> The problem of acquisitiveness will be dealt with more fully in our third chapter and the correlative problem of property in the fifth.
>
> "(b) *Inequalities.* The second feature of the economic system which challenges the consciences of Christians is the existence of disparities of economic circumstance on a scale which differs from country to country, but in some is shocking, in all considerable."
>
> The challenge here is especially acute in both the U.S.A. and the U.S.S.R. The consequences of these inequalities are so great that they affront the moral conscience with its ideal of human dignity.
>
> "(c) *Irresponsible Possession of Economic Power . . .* The power wielded by a few individuals or groups . . . gives the economic order in many countries some resemblance to tyranny, in the classical sense of that term, where rulers are not accountable for their actions to any superior authority representing the community over whom power is exercised. At the top of this hierarchy are the leaders of the world of finance. . . ."

We shall consider this problem in our third and fifth chapters.

"(d) *The Frustration of the Sense of Christian Vocation.* A profound conflict has arisen between the demand that the Christian should be doing the will of God in his daily work, and the actual kinds of work which Christians find themselves forced to do within the economic order." [7]

This problem we shall consider in the next chapter.

In the meeting of the World Council Assembly in Amsterdam in 1948 the churches were even more aware of the conflicts between Christianity and the dominant economic ideologies of the world. The vigor of the economic criticism and the scope show that religion cannot and ought not to be identified with any specific economic order or pattern and that economic life in every country has implications of a most serious nature for religion far beyond its own descriptions of technical processes. What is involved is the total orientation toward the community and the spiritual nature of man! There is the double threat of capitalism and communism.

With respect to communism there is first of all the conspicuous fact that its gospel of economic redemption, regardless of its promises to depressed and declassed persons and its offer of a classless community, has repudiated the religious conception of ultimate meaning in life. Economic life is not fully responsible if it fails to provide for an adequate insight into human redemption. The materialistic and deterministic tendencies in Soviet Communism, however they may be qualified, "are incompatible with belief in God and with the Christian view of man as a person, made in God's image and responsible to Him." [8] There is in the doctrine of the party a special conflict with Christian principles, for communism lacks insight into the corruption and moral ambiguity which all special groups exhibit when they have extensive power. Christianity insists on the need to criticize all parties and classes even when they are the bearers of a new order. Moreover, the ruthless methods used by Communists in dealing with their opponents violate the most elementary principles of personal dignity. In the same way Christianity repudiates the demand which the party makes "for an exclusive and unqualified loyalty which belongs only to God."[9] In these criticisms it is clear that the Christian religion confronts an economic order not so much from the standpoint of economic techniques and methods, though it does not hesitate to condemn the method of dictatorship through an omnicompetent state, but because of the value complex which the economic life serves as a means and the violation of the Christian emphasis on personality and man's proper participation in the community. This brings us back to the point noted above in connection with Pope's analysis of the churches in Gaston County, North Carolina. The church must be a responsible participant in the community but it must also transcend the special interests at work in the economic order. There must be freedom to know the truth and to participate critically and constructively in relevant economic processes and decisions. As the Amsterdam Conference said: "We condemn: (1) Any attempt to limit the freedom of the church to witness to its Lord and His design for mankind and any attempt to impair the freedom of men to obey God and to act according to conscience, for those freedoms are implied in man's responsibility before God; (2) Any denial to man of an opportunity to participate in the shaping of society, for this is a duty implied in man's responsibility toward his neighbor; (3) Any attempt to prevent men from learning and spreading the truth."[10]

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[7] J. H. Oldham, *The Oxford Conference* (New York: Harper & Brothers), pp. 87-91.

[8] Report of Section III of the First Assembly of the World Council of Churches at Amsterdam, Aug. 22-Sept. 4, 1948.

These perspectives are relevant not only to the critique of communism but also to capitalism. For, in the words of that same ecumenical conference: "(1) Capitalism tends to subordinate what should be the primary task of any economy—the meeting of human needs—to the economic advantages of those who have most power over its institutions. (2) It tends to produce serious inequalities. (3) It has developed a practical form of materialism in western nations in spite of their Christian background, for it has placed the greatest emphasis upon success in making money. (4) It has kept the people of capitalist countries subject to a kind of fate which has taken the form of such social catastrophes as mass unemployment." [11]

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[9] Ibid.

[10] Ibid.

III.

RELIGION AS REFLECTING THE ECONOMIC ORDER

What we have presented thus far indicates primarily the concern of certain segments of the religious community for economic life. What is dominant is critical moral analysis rather than a positive program in technical economic life. But many Catholic and Protestant laymen will question the moral and religious analysis itself. We recognize that there are vast differences between ethical pronouncements made allegedly by the clergy on these issues and the practices and ideals of lay churchmen. Laymen who dominate the leadership in middle-class Protestant churches do not actually, in many instances, accept many of the propositions presented above. They are relatively complacent regarding the dominant economic ideology in the countries in which they happen to reside. It may be that many laymen in the U.S.S.R. are just as complacent regarding communism. It is undoubtedly true respecting the basic economic philosophies of capital and labor in the United States.

We may begin with the fact of the anti-clerical and anti-religious character of the radical labor movements of continental Europe in the nineteenth century. Christianity became involved in the institutional sociology of the church and the church became involved in the institutional consequences of class structure and class conflict. There came first a separation of the churches from the masses and then a separation of the masses from Christianity. Anti-clericalism preceded atheism so far as mass indoctrination was concerned. The atheism of the Marxist movement followed in the wake of the class accommodations of the churches. Marx charged religion with being opium of the people. There is ample evidence that it became a refuge of the reactionary forces of nineteenth-century European and English life. Social Christianity made little headway as a positive or determinative force.

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[11] Ibid.

Some persons feel that churchmen too easily have passed over those economic philosophies and attitudes which tend to rule out religion entirely or relegate it to an insignificant function in society. Some feel that religion is positively harmful. Let us, therefore, turn to these issues again briefly.

In part, at least, the atheism of Soviet Communism came as a result of the failure to develop social justice within both a theoretical and an institutional religious orientation. It filled a moral and psychological vacuum left by the failure of religious institutions to express a new and relevant integration of the needs of the common people following the advent of modern nationalism, science, technology and the factory order in industry. The historic fact remains that the working classes, including agricultural laborers and tenant farmers, in many countries came to believe that organized religion was against them or indifferent to their needs. There is thus some indisputable justification for the view that religion at times performs but a subordinate function in culture as a whole and that its moral criticism is then at best a minor note in the orchestration of technological development.

Some writers like Frank Knight take the view that religion historically and essentially is, along with politics, a mechanism for enforcing conformity, not a power to improve or change the content of custom. He says: "We can hardly imagine a fundamentally new religion coming into existence in liberal democratic society, apart from its transformation into an authoritarian form."[1] In the revolutions of modern times, he goes on to say, the church and the new churches, remained fundamentally reactionary. "Religion opposed tooth and nail every phase of what we now view as progress, particularly the intellectual advance." [2] More significantly, religion played a subordinate role in the cultural conflict. Despite the most that can be granted to this view, Knight has hardly given an adequate interpretation of the social role of religion. The potency of the Christian ethic is neglected in a statement like the following: "The little that historical Christian teaching has to say about economic life relates to 'wealth' and is superficial and indefensible." [3] It may be that in the long run the values not easily labelled economic may have the greatest consequence for economic life. This conclusion may become more apparent as we proceed. But what seems to be positively wrong in Professor Knight's view is the one-sided economic theory of culture. Hence our emphasis must be in the normal role which religion plays in society and the twofold nature of religion as both static and dynamic. Anthropologists like Herskovits are very dubious of Marx's economic determinism and the same may be said of Knight's view, though in economic theory he is removed from Marxism by almost polar opposition. In the words of Stuart Chase, "Anthropologists indeed have no more use for the economic determinism of Marx than for the 'natural law' of Ricardo." [4]

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[1] F. H. Knight and T. W. Merriam, *The Economic Order and Religion*, p. 16.

Social scientists increasingly recognize the significance of religion. In the community studies made of *Middletown, Middletown in Transition, Plainville, U.S.A., Deep South, Home Town: the Face of America,* or *Yankee City,* to cite but a few, religion is found to be an integral part of the culture playing a positive role. What impresses one at first is the tenacity of religious beliefs and the fact that beliefs are held symbolically even when actions have changed and processes no longer correspond. We are brought back, nevertheless, to the position taken earlier that religion is not necessarily either center or circumference, but varies in an interacting cumulative whole. Let us illustrate in part by the credo held by Middletown residents in the 1920's compared with that of the 1930's. The Lynds discovered that the beliefs of the community as verbalized by the people had hardly changed in the decade between their first and second study of Middletown, despite the tremendous shock which the Great Depression made upon that community and indeed the nation and the world. One is impressed by the tenacity of beliefs on the one hand and the drive of social change on the other. Stuart Chase's interpretation of what transpired is instructive: "So Middletown has learned nothing from a world war, a crazy boom, and a depression which made beggars of a quarter of its people? No, it is not as simple as that. Middletown, like every community, must have a suit of symbolic clothes. If no new styles are on the market the old will have to do. Middletown—at least the North Side—still wears the ancient garments, but the simple faith has gone, the unquestioning acceptance of earlier days. Below the surface, Middletown is in profound turmoil and transition." [5] For many people new ways of doing are tied to old symbols so that "people do not believe in what they are in fact doing." Many are not doing what they imagine they believe in. For many the things they believe in no longer make a consistent or coherent whole. Today, not only Middletown but the whole world is in transition and rival religions and ideologies stand in conflict with each other.

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[2] Ibid., p. 24.

[3] Ibid., p. 48.

[4] *The Proper Study of Mankind,* p. 195.

Many social scientists fail to understand the real relation of Christianity and Judaism to economic life because even when they do not make it subordinate to economic development, they conceive of it as simply a conservative or static factor. They see it only as a defense reaction against novelty in social relations. Religion does conserve values. But this is only one aspect of the real situation. For religions of a universal type are dynamic also. They defend not only the past. They are not simply static. They are the expression not simply of closed societies. They are the creators also of new values and the open society. They express the ideals and aspirations of the inclusive community. They are, in short, prophetic.

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[5] Ibid., p. 127. For the economic credo of Middletown and its relationship to this study see below in Chapter Three.

There is thus a tension, a dialectic, within Judaism and Christianity.[6] At one pole we have the conservative or static function. At the other pole we have the dynamic and the prophetic function. Religion thus reflects and expresses the dialectic of life itself as it seeks to conserve and preserve itself and also reaches out beyond itself to the unmade future. This internal dilemma is permanent and expresses itself institutionally as well as ethically. We shall not understand the religious conception of economic responsibility if we fail to appreciate this twofold dimension of religion. Let us first turn to religion as the cohesive power of the values of a community and then to the prophetic and creative element in the religious approach to the economic order. In a way we have already given expression to this, but the point is so basic that it can hardly be exaggerated, for men tend to align themselves both in their conceptions of religion and their practice to one or the other ends of the dialectic and generally fail to have a coherent understanding of the relation of progressive to reactionary forces. For religion to be dynamically relevant it must be to a degree accommodative.

IV.

TENSIONS AMONG CULTURAL FACTORS

In every society and culture the cohesive powers of the value complex are basic. This is a sociological commonplace. R. M. MacIver, eminent sociologist and political theorist, writes in *The Web of Government* of the myths which men live by or live for. Such myths are value-impregnated beliefs whether capitalistic, Marxist, feudal or some other. "Every society," says MacIver, "is held together by a myth-system, a complex of dominating thought forms that determines and sustains all its activities. All social relations, the very texture of human society, are myth-born and myth-sustained."[1] Myths interpenetrate with technics. As man's value-impregnated beliefs change, that is, as his values and social goals change, he turns his techniques to different uses. The development of technology also reacts dynamically on the thought, value and social structure.

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[6] See Milton Yinger, *Religion in the Struggle for Power.* See also Bergson, *The Two Sources of Morality and Religion.*

Modern anthropological studies make it possible to escape between the horns of dilemmas which popular discussion and rigid schools of thought propose. Comparative economic anthropology has made it quite plain that practically every economic mechanism and institution known to us today is found somewhere in the nonliterate, sometimes called the primitive world.[2] The questions of economic determinism and the relation of individualistic to collectivist activity are illuminated by the synoptic methods of anthropology which reject simplistic approaches to cultural analysis. Not only is it important to note the weaknesses of economic determinism as a universal explanation, but also of refutations which are doctrinaire and negativistic. "No unilateral explanation is valid for the complex phenomenon that is human tradition."[3] Religious and quasi-religious beliefs lead sometimes to significant economic waste. Religious rituals and other practices sometimes contribute to economic discipline and the increase of economic value. Only a knowledge of the total value structure of a society will suffice for an explanation of the interrelationships. Between the total environment on the one hand and human activity on the other there is always present a group of value impregnated beliefs and technics, a group of social goals and knowledge, which provide a determinative culture pattern. The rich variety of these culture patterns should be instructive to mankind today as it seeks to find the most constructive relationship between religion and economics. Therefore, the long and broad perspectives of anthropology may help to encourage thought and not impale it on the horns of hysterical extremes. Herskovits notes:

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[1] *The Web of Government*, p. 4.

[2] M. J. Herskovits in ibid., p. 488.

[3] M. J. Herskovits, *Economic Anthropology* (New York: Alfred A. Knopf, 1952), p. 490.

"In production and distribution, even in consumption, no less than in the case of property rights . . . , the permutations and combinations of degrees of individual effort and reward, of group labor and the sharing of produce, are of an infinite order not to be subsumed under any formula of unilinear development, of inner correlation, or of economic law. Only when it is fully realized that in no society is the individual entirely subordinated to his group, that in no group is complete individualism the rule, can the problem be solved of the extent to which, over the world, common effort is directed toward the achievement of common ends, and where and in what situations men work and save for themselves alone." [4]

The period of dominant economic individualism in America has taken the cohesive forces of society so naively for granted, and lived so unconsciously on the borrowed capital of Christian values and the largess of American natural resources, that its theory neglected the power of the invisible value structure with which religious rootage supplied the culture. Says Karl Mannheim, "Religion . . . means linking individual actions and responsibilities to a broader stream of common experience. Religion, therefore, integrates once more on a deeper plane what has already been integrated for limited utilitarian purposes on the more pragmatic level of daily activity." [5] "When religion ceases to be the deeper integrating force in human affairs, the change becomes socially apparent." When the commonly accepted purpose disappears, "the social machine continues for a while to work as usual since the mutual dependencies and obligations arising from the division of labor do not allow people just to run away. But, whenever a major crisis occurs, it becomes apparent that mutual obligations are valid only if they are rooted in conscience; and conscience, although the most personal experience in man, is a guide to common life only if a moral and religious interpretation of commonly experienced events is accepted and assimilated by the members of that community." [6]

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[4] Ibid., p. 501.

[5] *Freedom, Power and Democratic Planning,* p. 20.

[6] Ibid., pp. 19-20.

In Christianity the value-system is concretely and dialectically tensional; that is, the prophetic element in Christianity is in conflict with the conservative or accommodated aspects of the culture. The love ethic has a power making for social reform and for an open society, while the conservative tendencies in society are making for a more closed society. Neither conservatism nor radical change are the whole story. At any one time the one, usually the former, or the other may appear to be dominant. However, the whole concrete truth is that the creative forces for a universal or open society are in tension with the traditional social habits and conventions of the closed society. Since Christianity embraces the Kingdom of God conception with its reference to the will of God "in heaven" and "on earth" its ethical orientation is not only to conserve traditional social values but also to reconstruct them in an endless historic effort to be responsible to man, to love, to justice and to God.

The tensions in Christian communities reflect not only the conflicts of a culture that has been disintegrating in terms of the synthesis of the Middle Ages. The centrifugal forces of the past six hundred years have severely affected the cohesive patterns of the earlier era. New unities of value stand in a rival relation to each other and to the whole. Thus in addition to the internal dilemmas of institutional religion there are the tensions of groups and orders of political and economic power with which religion is intertwined. The individual Christian is frequently left on the boundary between powerful ideological domains. His inner convictions are put to a severe strain by the conflicting rival loyalties of the modern world. As the culture has become more and more differentiated his security with respect to the old cohesive powers is gone and he gropes for a new integrating synthesis.

Many factors have tended to increase the individualism of modern men. There are always possibilities for further differentiation in culture. It is futile to attempt to identify them with each other or to derive all other aspects of culture from one aspect of it. Malinowski says: "Thus the collective and the religious, though impinging on each other, are by no means co-extensive."[7] Ruth Benedict says, "In reality society and the individual are not antagonists."[8] Compared with most primitive religion Christianity is quite an individualistic religion, but it is really personalistic in a communitarian sense. In the development of such a personalized religion two factors have been at work, a gradual emancipation of the individual from the deterministic influence of his cultural and social background and a continuous process of differentiation within the civilization. Sometimes this process goes so far as to threaten culture with complete fragmentation and a loss of the sense of wholeness. Even in primitive societies there are often intricate relationships between wealth and prestige; and property is of various types. There are, for example, natural objects like land and animals. There are man-made objects, the innumerable artifacts, and there are incorporeal and intangible property items like prayers, names, magic formulas and the like. In modern society these types are differentiated on a grand scale often losing their earlier relationships. Nevertheless, no approach which discards the positive role of religion as an integral element of the whole can be properly defended. Institutionalized religion of a certain type may be discarded or overthrown, but at least its secular equivalent will be at work with a new set of value-claims.

V.

RELIGION AND THE CONFLICT OF GOALS

The relation of religion to economic life is thus found to be dynamic, many sided, and practically urgent. This practical urgency is highlighted by the world conflict of rival social faiths and ideologies. It is highlighted by the tensions within the American scene. It is highlighted by the threat of normlessness, of *anomie,* by which is meant the breakdown of standards of justice in the social order. It is highlighted by the call on the part of economic conservatives to religion to come to the rescue of so-called "free enterprise"; and it is highlighted, finally, by the fact that the prophetic or dynamic element in religion cannot be made subservient to the demands of any particular economic order but reaches forward to the establishment of a universal community of love and justice.

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[7] B. Malinowski, *Magic,* p. 54 in Wach, *Sociology of Religion,* p. 31.

[8] R. Benedict, *Patterns of Culture,* Chapter 8.

We can illustrate these tensions by the well-known Civil Rights problems in the United States. The conception of Civil Rights, which is rooted in Judaeo-Christian and democratic ideals, is obviously influencing the development of economic relationships. The fact that the churches are lagging behind economic institutions in the practice of inclusive participation only emphasizes the nature of the inner dilemma in organized religion. There is a dilemma, as Myrdal calls it, between the so-called American Dream and the actual practice of race relations. In the early Christian church there was an intense community of love, but it had no hope or sense of responsibility for reforming the basic institutions of society, including slavery. There was nevertheless a nisus in Christianity toward freedom, equality and inclusive responsibility. Slavery was first overcome as a religious barrier in the Christian community and only later as an economic institution in Europe. In America the situation was considerably different. Race relations grew out of a slave economy which stood in contrast to a rival economy with its creed of freedom and doctrine of individual human worth. The church was involved in both economies, though its inner gospel was opposed to racism and slavery. The dilemma is thus internal in the churches. Therefore, the conflict between economic goals based in part on Christian insights and the violation of these ethical ideals illustrates the tension between the static and dynamic aspects of religious group life. Recognition of this moral dilemma is an important element in the social situation today.

Another illustration is found in the conflict between ethical goals within the dominant economic pattern itself. The philosophy of success, self-interest, economic status, competition and freedom of opportunity conflicts with the Christian ideal of service, brotherhood, cooperation and the facts of economic reality. What happens in the lives of many persons is the neurotic consequence of trying to live according to radically opposing goal-striving. Karen Horney deals graphically with these in her well-known book, *The Neurotic Personality of Our Time.* She has indicated schematically some of the main contradictory tendencies which our culture provides. If religion had no profound practical implications, there would, of course, be no neurotic consequence as noted in the following schematized situation:

> "The first contradiction . . . is that between competition and success on the one hand, and brotherly love and humility on the other. On the one hand everything is done to spur us toward success, which means that we must be not only assertive but aggressive, able to push others out of the way. On the other hand we are deeply imbued with Christian ideals which declare that it is selfish to want anything for ourselves, that we should be humble, turn the other cheek, be yielding. For this contradiction there are only two solutions within the normal range: to take one of these strivings seriously and discard the other; or to take both seriously with the result that the individual is seriously inhibited in both directions.
>
> "The second contradiction is that between the stimulation of our needs and our factual frustrations in satisfying them. For economic reasons needs are constantly being stimulated in our culture by such means as advertisements, 'conspicuous consumption,' the ideal of 'keeping up with the Joneses.' For the great majority, however, the actual fulfillment of these needs is closely restricted. The psychic consequence for the individual is a constant discrepancy between his desires and their fulfillment.
>
> "Another contradiction exists between the alleged freedom of the individual and all his factual limitations. The individual is told by society that he is free, independent, can decide his life according to his own free will; "the great game of life" is open to him, and he can get what he

> wants if he is efficient and energetic. In actual fact, for the majority of people all these possibilities are limited. What has been said facetiously of the impossibility of choosing one's parents can well be extended to life in general—choosing and succeeding in an occupation, choosing ways of recreation, choosing a mate. The result for the individual is a wavering between a feeling of boundless power in determining his own fate and a feeling of entire helplessness."[1]

How do men face these tensions? In the disparity of views between laymen on the one hand and clergy on the other we may note, first of all, that the dilemma which impales our culture on its two horns does not, in fact, so impale the conscience of the average middle-class Christian, at least not very much of the time. Some try to escape between the horns by all kinds of compromises in which they seek to serve both God and mammon. Some apply a strategy of alternation with the goals kept in water-tight compartments. Some acknowledge the one set of goals as those appropriate to an ideal but unreal world, and the other as that of the real and practical world. These latter would make the churches a conventional and peripheral institution in society where the "simple gospel" is to be preached but in which one wishes to find peace and freedom from the headaches of the work-a-day world. Some again try to gain the sanctions of religion for the economic order itself. These have discovered only the conservative values of religion and have become aware of the patent fact that an economic order based on credit cannot run without faith. But the faith that is thus sought in times of crisis is the defensive reaction of society against new social forces, not the faith of the pioneer in the establishment of a new city whose builder and maker requires a radical reconstruction of the credit system itself.

The threats of world economic ideologies in conflict with each other and the internal tensions of the system in which we live have obviously lowered the *morale* of those controlling and working in the "free-enterprise" system. There is thus a desire to have Christianity and Judaism provide the moral sanctions necessary to keep the system going. Such appeals of distress are common today. Instead of facing the contradictions which Karen Horney outlines, the strategy is sometimes for business to spend millions on propaganda in "spiritual" defense of itself or to employ economic sanctions against religious leaders and groups who do not use religious sanctions to support the ideological program of business. "Free Enterprise needs a soapbox too." Says a recent article in *Fortune:* "Not since the early thirties has business been so troubled by the gap between it and the rest of society." Apparently the gap between the economic pronouncements by the clergy and the business laity can be matched by the gap between the ideology of Free Enterprise and the mass of the people. There is scarcely a convention, we are told, where the general speeches made by businessmen are not dominated by a warning to the audience "to spread the gospel before it is too late."

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[1] The *Neurotic Personality of Our Time* (N. Y.: W. W. Norton & Co., Inc., 1937), pp. 288-289.

Fortune magazine says that the above campaign isn't "worth a damn." This is not due to failure to spread the gospel. "The advertising council, long noted for the excellence of its public service programs, alone has inspired 8,000 outdoor posters on the Free Enterprise theme, 136,000 car cards, three million radio 'listener impressions'—and Lord only knows how many of the Messages from the President that burden so many of industry's 6,000-odd house organs." Why hasn't the message gotten across? "The Free Enterprise campaign," *Fortune* believes, "is psychologically unsound, it is abstract, it is defensive, and it is negative. Most important, in a great many of its aspects it represents a shocking lack of faith in the American people, and in some cases downright contempt."[2] This, we submit, is at bottom a religious issue.

When an economic order uses religion as an expedient it does peculiar things, but mostly it may make itself look a little absurd if not downright ridiculous. This is especially true when it does so under the searchlight of a religion like prophetic Christianity which is thoroughly capable of unmasking the ideological disguise and the pathetic emergency piety and power anxiety among the economic lords. When capitalism was securely entrenched it sneered at Christian socialism as impractical and unrealistic and relegated spiritual values to the pulpit or to ancient Palestine. Now that new experiments are showing themselves as going concerns and practical at least in the sense of holding a secure place in economic life the cry has been that though they may "work," they destroy the spiritual values, especially liberty and individuality, which have made the nation and western civilization great. These spiritual values, so long banned from the counting house as pious unrealities, are now summoned to the rescue as the most substantial foundation of business in its hour of threat and challenge. R. H. Tawney puts the case very well with respect to the change which has taken place on this issue in Great Britain. "Socialists," he says, "have exchanged the prophetic role of the past for the habits and mentality of the practical administrator. Their opponents have moved in the opposite direction. The former have become realists, sometimes even to excess. The latter, while continuing to challenge specific aspects of their policy, no longer deride them as economic innocents or hare-brained Utopians, but invoke against them the majestic imponderables of religion and morality."[3] Less is heard than formerly of the impracticability of Socialism; more is said of its menace to the higher interests of the nation. So the attack continues as follows: "The State, as its grasp extends, will make a desert, and call it efficiency. It will jeopardize the moral values—liberty, disinterested cultural activities, the intimacies and informalities of human intercourse—of which economic arrangements, however administered, are no more than the squalid scaffolding. Thus the wheel has come full circle. The apologist for Capitalism, without ceasing to land the material benefits conferred by it, asks with tremulous apprehension, 'what shall it profit a society, if it gain the whole world and lose its soul?' The Socialist, accustomed in his credulous youth to be ridiculed as a visionary idealist with his head in the clouds, finds himself denounced with equal unction in his degraded old age as a sordid materialist with his eyes glued to the cash-register." [4]

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[2] *Fortune,* 42 (September, 1950), pp. 77-83, "Is Anybody Listening?"

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[3] "Social Democracy in Britain," in William Scarlett (ed.), *The Christian Demand for Social Justice,* p. 117.

VI.

RELIGION AND INTEGRAL RESPONSIBILITY

In conclusion, then, we must recognize that religion historically is, as G. Allport says, "lockstitched into the social and economic fabric." Some religions have had more profoundly significant social and therefore economic consequences than others. In the cultural situation of the world today religion and economics are confronted by the challenge whether they can cooperate to create a viable world community with a tolerable justice and with an openness to the future holding out the promise of an inclusive and barrierless society of free men.

This challenge is replete with value assumptions which should be made explicit. Religion is relevant to economic life because economic factors as means are only abstractions from the cultural whole and all aspects of the culture get their meaning from the dominant ideals and values of that culture. Economic factors are none the less significant for means tend to be held as ends-in-view and determine the ends achieved. Religion is the name which we give to man's attitudes and loyalties concerning his ultimate values and norms. The metaphysical religious postulate is that a purposive intelligent God is the ultimate creator of all values and that reality is a meaningful whole. The creative activities and processes of God transcend all cultures; God is the unity of all true norms. In God there is a unity of fact and value. Our differentiated specializations and our abstractions, including economics, are meaningful only in relation to the goals which God has set in His creation.

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[4] Ibid.

Economic philosophy and science are significant parts of man's quest to understand truth, the common good, and the means of achieving both. If economic thought and institutions attempt to be divorced from the larger meanings found in the integral functions of religion, they belie the interpenetration of value and fact which exists everywhere in nature and society. Expedient economics may shipwreck religious goals. Only where fact and value are united can intelligent decision be made. The purpose of economics is to help men make intelligent decisions regarding the means of community life. If men are scientific in their descriptions of fact and unscientific in their approach to values, they are very foolish. The fact that values are hard to handle scientifically does not alter the need for such work, but only challenges thought to create an adequate philosophy of value. Economics thus points beyond description to decision in the light of an adequate philosophy of world community. Economic philosophy has to do with the intelligent and coherent understanding of means and their relation to community goals.

God who has created all things and all men has made them to interpenetrate and to be interdependent. He has not distributed natural resources evenly over the world. He has made man-power itself as the greatest natural resource. Man is both economic power and the subject who controls economic power. The world of economic life is not primarily a world of things, but of people in relation to each other with respect to the things they need, i.e. need in relation to basic goals. From the outset, then, religion in relation to economic life deals with the interdependent life of mankind as it seeks to meet its needs confronting nature and value.

Our religious postulates stress, then, the sacredness of the person under God. They view man not as a bundle of interests and desires, primarily, but as a creature of needs, some of which can be met by economic acts, but most of which are non-economic. An economics of need focuses the power of a community differently from an economics of self-interest or of sensate desire. Central in the economic implications of ethical monotheism is the notion of the responsible community. Men are spiritually equal, they are created metaphysically free and morally to be free, and they are called to solve their problems and meet their needs in responsible community.

In the United States of America there has been growing tension between those who defend, with a kind of absolute loyalty, the so-called "free enterprise" system and those who hold to the extension of the so-called "welfare state." The virtue put forward prominently by the first group is freedom; that of the second is social justice. From the standpoint of Judaic and Christian theism both types of loyalty may, in fact, be idolatry. There is a tendency to worship at the shrine of the "free market" as there is also at the shrine of security "from the cradle to the grave." The principles of free-market enterprise are not ordinances of God as can be seen from the instability of an economy based solely on a free price system. Moreover, even under "free enterprise" many welfare services must be supplied by the community to its citizens through the good offices of government. On the other hand, welfare can also become an idol when it becomes a dogmatic rejection of the merits of market freedom or fails to face the problems of power and the bureaucratic state. Both groups tend to idolatry in the provincialism of their perspectives, by their lack of self-criticism, by their falling prey to specialized interest groups, by their unwillingness to seek both pluralistic good in the light of the overall economy and general welfare as reflected in all the real needs of the least members of the interdependent community.[1]

The religious conception of an economically responsible society, as we shall develop it, is one in which men freely acknowledge responsibility to inclusive justice and public order; one in which economic goals are not divorced from the welfare of society they ought to serve; one in which political authority and economic power are responsible both to God and the people; one in which economic activities are understood as means to larger ends but in which the person can nevertheless actualize himself; one in which the people have freedom to control, to criticize and to reform their political and economic institutions; one in which power is widely distributed throughout the whole community and one in which justice and equality of opportunity are established for all. The religious conception is an integral conception in which the church is both a conserver, a critic and an inspirer of creative approaches to the meeting of human needs. It is a conception in which economic life finds its rightful place in a doctrine of redemption for men both in history and beyond.

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[1] See the stimulating issue of *Social Action,* xviii (December, 1951), "Christian Faith and the American Economy." In the present writer's opinion, this discussion is slanted too much in the direction of the defense of the American *status quo.*

The first great problem which this poses is that of man's religious vocation in the economic sphere. We shall consider man as producer and worker in relation to his ultimate vocation in the Kingdom of God and then consider him in his relation to industry as owner and controller of power. In pursuing these goals we shall draw freely on the findings of the social sciences so as to bring their fruits into a coherent relation with an adequate philosophy of society.

CHAPTER II

RELIGIOUS VOCATION —THE WORKER

I.

THE THREEFOLD DIMENSION OF RELIGIOUS VOCATION

"Workers organize into labor unions," write Golden and Ruttenberg, "not alone for economic motives but also for equally compelling psychological and social ones, so that they can participate in making the decisions that vitally affect them in their work and community life." [1] There are three principles, notes J. H. Oldham, which the Christian religion must make effective in the world of industrialized technology if its purposes are to be realized in the world of work. They are: (a) the principle of personality, (b) the principle of community, (c) and the principle of ultimate meaning.[2] Any satisfactory conception of religious vocation must take account of these principles. During World War II Archbishop Temple focused attention on the failure of the economic order to provide a sense of religious vocation for the general masses of working people. He participated in a statement on "Social Justice and Economic Reconstruction" which said: "If the nature of a man's daily life is so depressing or so hostile to the interests of others that he is robbed of his sense of a divine calling, the resultant frustration of his creative faculties must imperil his innermost soul. How deeply rooted is the instinct for creative activity which results in good craftsmanship when it meets with encouragement and opportunity is evident in the disintegration of mind and morale which tends to follow too great absorption in purely mechanical operations. Man, as religious, needs to develop in himself and others this sense of being called to a divine vocation. To fail in this is, once more, to undermine the basis of the religious conception of life." [3]

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[1] Clinton Golden and Harold Ruttenberg, *Dynamics of Industrial Democracy*, p. 3.

[2] *Man's Disorder and God's Design*, vol. III, *The Church and the Disorder of Society*, pp. 29-49.

We may take a page from the American scene as described in *Fortune* magazine to emphasize the critical urgency of the issues indicated above. In May 1947 *Fortune* published the results of a survey of the attitudes of United States factory workers. The survey revealed some deep-lying problems which raise fundamental questions about the economic order. "Half the nation's factory workers . . . seem frustrated because their work gives them no opportunity for personal initiative. Forty-one per cent think that even a job well done is a blind alley. They are hopeless of advancement and resigned to staying where they are. They have little belief in the security of their old age. Improvements in their working conditions have not persuaded them that theirs is a good life; over half would choose a different occupation if they had to do it over again." *Fortune* makes this comment on these facts: "Is the worker of today, and particularly of tomorrow, condemned to do his daily work without thought or incentive? This question should preoccupy not only management but the unions as well. Members of the two big unions, and especially of the C.I.O., are more dissatisfied with their lot than non-union workers or members of independent unions." It is recognized that the type of industry in which workers find themselves may be in some way responsible, but the issue which *Fortune* wished to raise and which is essential to our problem is the fundamental problem of human discontent on so widespread a scale. Are management and the unions facing the facts? "They seem to be trying to cure the patient by dosing him with the outmoded specifics of cafeterias, washrooms, and baseball teams on one side, seniority, shorter hours, and higher pay on the other. Whereas the simple fact is that the worker wants to be treated like a human being. He wants to be able to hope for advancement, to have honest effort recognized, and to have an outlet for personal initiative."

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[3] Commission of the Churches for International Friendship and Social Responsibility, "Social Justice and Economic Reconstruction: Toward a Christian Britain," p. 14.

In *Fortune's* analysis we note a problem which relates to *one* of the basic principles of the Christian doctrine of work, the principle of personality. Taken by itself it is essentially individualistic and does not apprehend the depth of the problem of religious vocation or the basic needs of human beings. Golden and Ruttenberg are more adequate when they point up three basic needs of the human beings who make up American industry's working force: "(1) Economic—an adequate plane of living and the necessary amount of job and wage protection. (2) Psychological—the personality needs of freedom of action, self-expression, and creative outlets. (3) Social—the ties and bonds of group relations and community life."[4] Here the social principle is added, but there is lacking the dimension of ultimate meaning which deepens the meaning of all the others and gives them a more radical significance. To the development of the religious criteria and meaning of vocation in work we must now turn. Throughout the analysis one must keep in mind the fact that most people do not, in fact, relate present work to distant aims. Relating work to ultimate aims is a spiritual achievement.

II.

WORK AND VOCATION IN THE SCRIPTURES

Work is not an isolated aspect of man's life so far as the Bible is concerned.[1] It is intimately related to the Old Testament thought that man is created in the image of God and the further thought developed in the New Testament that he is called to divine sonship. He is to be spiritually not a slave but a son, free like Christ. God is a worker; He is creative. Religious vocation for man is thus conceived as working analogously like the eternal Father. But to work with religious vocation man cannot expect to work as God works in every respect. God is creator; man is at best a creative steward of God's gifts and talents, but steward always of time, space and possibilities which he did not create. Only in the spiritual depths of his own freedom where choice, reason and love have their personal source does man create like the Creator. As God is able to bring some new value out of every problematic situation, so man can be a coworker with God in the melioristic purpose of making the present better and of preparing the present for the emergent creativity of God. In an unnumbered host of ways man can create or be the servant of creativity in establishing community and bringing to birth the Kingdom of God. To state the principle thus is, of course, to add philosophical to Biblical ideas.

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[4] *Dynamics of Industrial Democracy*, p. 7.

[1] See W. R. Forrester, *Christian Vocation.*

In the Bible man is expected to work. It is a divine ordinance for man's life. Work is neither a "gospel" in the sense of the modern cult of work and wealth nor a "curse," but a "*law* for human life." [2] In the Decalogue (Exodus 20:9) we read: "Six days shalt thou labor, and do all thy work." It is no debasement of royal dignity for Saul to have been a plowman (I Sam. 11:5). "The general standpoint of the Bible is that it is as much a part of the regular order of things as that the sun should rise or that lions should hunt: 'man goeth forth unto his work and to his labor until the evening' (Ps. 104:19-23).[3] Honest toil is blessed by God in the abundance of a good harvest or in the prosperity of a nation (Ps. 65), but labor which is not blessed by God is fruitless (Ps. 127)." [4] God gives skill of craftsmanship with wisdom and understanding. In Exodus 35:35 we read: "Them hath he filled with wisdom of heart, to work all manner of work, of the engraver, and of the cunning workman, and of the embroiderer . . . and of the weaver, even of them that do any work, and of those that devise cunning work." It is significant that the "only idle rich of whom we read in the Bible are those who form the object of the most bitter denunciation of the prophets" as, for example, in Amos 6.

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[2] Alan Richardson, "The Biblical Doctrine of Work," (Study paper for World Council of Churches).

[3] See Melville J. Herskovits, *Economic Anthropology*, Chapter 6, "Incentives and Rewards" for a larger setting on early attitudes towards work.

[4] Ibid.

Not only are work and the worker related to God but they are related significantly also to the community. Labor becomes meaningful as a contribution to social welfare. Job's work is noted as helping to succor the needy (Job 31:16-17, 19-22). The prophets consider the fruits of labor within the framework of social justice. Service to Israel as a whole is part of man's responsibility. The work of God is expressed in the destiny of Israel so that each job is qualified under God in relation both to the individual worker and to the corporate whole.

In the New Testament there is no break in this long tradition of work under the ordinance of God. The spiritual life and the program of redemption use naturally the idiom of labor. Not only does the life of Jesus exhibit self-sacrificing labor for the sakes of men, but it furnishes the principle that human life in all its phases is at its best a life of active service.[5] Jesus' own training followed the responsible path of Jewish discipline as reflected in the question in Mark 6:3 "Is not this the carpenter?" The life of Jesus as a carpenter is one of the basic and most cherished aspects of Christian social tradition. It was among the toilers who were dependent for their livelihood on physical labor and endurance that Jesus gained his closest adherents (Mk. 1:16-20; Mt. 4:18-22; Lk. 5:5 ff.) and from the context of busy life he draws many similes on spiritual virtue. From his followers he expected undivided loyalty. They were expected to work in his cause ceaselessly and in spite of weariness, for the field of operation was large and the toilers few (Mt. 9:37; Lk. 10:2). Like the Old Testament prophets he was very critical of the idle rich (see Mt. 19:23 ff.; Mk. 10:33 ff.; Lk. 16:19 ff.). On the other hand, "The laborer is worthy of his hire" (Lk. 10:7).

Work, then, does not exist for its own sake. It is not abstractly considered apart from the worker. But it has the dignity of an analogue of God's own activity. "My Father worketh hitherto, and I work" (John 5:17). "As my Father hath sent me, even so send I you" (John 20:21). The Son of Man came not to be served but to serve yielding up even his own life for the sake of his fellowmen (Mk. 10:45; Mt. 20:28; Lk. 22:26 f.). God reveals his will through man's work and in it man makes his response to his will.[6]

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[5] See Art. "Labour" in J. Hastings, *Dictionary of Christ and the Gospels.*

In the writings of St. Paul the same vocational attitude toward work is maintained. God and men through Christ are co-laborers in the task of redemption. Not only so but the Christians are part of a long line of toilers who sowed the seed, of which they were about to reap the fruit (cf. John 4:38). St. Paul develops a Christology which enhances the dignity of, as it supplies, the motive power which guides and strengthens the toiler (Ro. 16:12; see 1 Co. 15:10; Gal. 4:11; Phil. 2:16; Col. 1:29; 1 Th. 5:12). The record highlights the fact that Paul and his companions worked day by day to supply their physical necessities (Acts 18:3; 1 Co. 4:12; 1 Th. 2:9; 2 Th. 3:8). On the other hand, tendencies to idleness and busy-body unreality were strenuously combatted (see 1 Tim. 5:13; Eph. 4:28; 1 Th. 4:11). His statement "if any would not work, neither should he eat" (2 Th. 3:10) is in harmony with the whole previous tradition which we have sketched. Jesus was a workman with a divine vocation and he has bequeathed to the world the threefold doctrine of work which is the basis of any adequate social economy: (1) the dignity of the worker; (2) the solidarity of the human family; and (3) the motive of love and service in the Kingdom of God as its ultimate meaning. These conceptions in the Bible are neither sentimental nor unrealistic in their recognition of the pain, care, risk, insecurity, fatigue and other hardships that may attend and usually do attend responsible work. "Except the Lord build the house, they labor in vain that build it" (Ps. 127:1). This eschatological perspective is repeated in the New Testament where Christ is viewed as the foundation of God's house (1 Cor. 3:9-15).

In the New Testament the community conception of work received a qualitatively new ultimate meaning. While the followers of Jesus were not distinguished from others by the external forms of work, and while the trades of carpentry, tent-making, and fishing continued, they all had a potentially new significance through the participation in the new life with Christ, sharing in the vocation under Christ as members of the household of God. They were members of a new community through which the spirit of Christ manifested itself, so that amid the interdependent diversities of gifts and ministrations there breathed a common spirit. Every function of the members of Christ's body is a *diakonia.* "There are varieties of service, but the same Lord" (1 Cor. 12:5).[7] In the ordinary vocations of daily life the living Lord is at work, thus providing a new vocation of intention, effectiveness, community and meaning.

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[6] See Paul S. Minear, "Some Dominant and Distinctive Attitudes Toward Work and Vocation as Found in the Bible" (unpublished manuscript prepared for Study Department of World Council of Churches).

III.

THE EARLY CHURCH, MONASTICISM AND THE REFORMATION

In the early church, work was emphatically encouraged. In addition to the motives cited above work was prized also as an education in sobriety and industry, and as a means of protection against certain moral and spiritual dangers. Some regarded it as useful for the purposes of asceticism and the discipline of the body and there were some who regarded it as the consequence of the Fall and as the punishment of sin. The Christian community found itself in sharp conflict with the "World" around it. Moreover, it developed increasingly in an environment which did not have the heritage of attitudes towards work found among the Jews. Ernst Troeltsch says: "We must not expect to find here the love of work and its products; that assumes a far more positive appreciation of the world than the early Christians possessed, and it cannot be conceived without pleasure in possessions. Therefore the saying that 'Christianity has dignified labor' ought not to be exaggerated."[1] Indeed it must be remembered that economic views as such were very little developed in the Ancient World and among Christians were quite naive in the early period.

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[7] See T. W. Manson, *The Church's Ministry,* pp. 16 ff. and Forrester, op. cit., Chapter 2, "The Biblical Doctrine of Vocation" and Chapter 3, "Are There Two Standards of Morality?"

[1] *The Social Teachings of the Christian Churches,* p. 119.

The bearing of this social situation on a developed doctrine of callings is important. In the society outside the Christian community there was a great deal of slavery and there were many morally dubious occupations, but there was little that stimulated any "idea of a stable, well-organized system of 'callings' and of the division of labor." [2] Neither did the Christian group see in the Graeco-Roman society a scheme of work ordained by God. It was necessary to withhold oneself from many kinds of work.

In the period between 180 and 250 A.D. the leaders of the church express a real concern regarding the character of industrial callings pursued by Christians. By this time it was recognized that the Christian has to mix in the business of the world; and since he was not to compromise with its sin, the question of the dividing line between the two had to be drawn. Tertullian noted that there were some heathen trades like pandering, sorcery, divination and the like which no Christian could follow. It was difficult, however, to dispose of those cases which were only remotely related to idolatry. The schoolmaster and the incense-seller alike fell under the ban which Tertullian would have enforced. In the "Canons of Hippolytus" we find that goldsmiths, silversmiths, painters, and other craftsmen were allowed to pursue their callings, in so far as they ministered to ordinary human uses, but no Christian could make an idolatrous image. Should they do so after baptism, they were to be excommunicated until they had performed appropriate penance. Actors, gladiators, fighters with wild beasts, charioteers, runners, huntsmen, and priests of idols were not to be admitted as listeners to the meetings for worship and exhortation until they were cleansed. Interpreters of dreams, usurers and political agitators could not be baptized until they had given evidence that they had given up such doings.[3]

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[2] Ibid., p. 122.

[3] C. J. Cadoux, *The Early Church and the World*, pp. 446-449. See Arthur T. Geoghegan, *The Attitude Toward Labor in Early Christianity and Ancient Culture.*

It was in this setting that monasticism developed. As Troeltsch points out, "the increasing esteem in which monasticism was held was due to the fact that it seemed impossible to regard this social order—with all its difficulty, friction, conflict, and reaction—as a system of 'callings' ordained by God and destined to contribute its part to the supreme religious meaning of life." [4] Monasticism thus presented itself as at least one suitable "calling" for Christians. The concept of work in the early church had in it no idea of social reform of the world. Any positive appraisal of the social order as a whole or sense of responsibility for it had to await later developments. Once we understand clearly this social situation we have "gained a very important clue to the understanding of the differences between primitive, mediaeval, and modern Christianity." The idea of Christian vocation as we are developing it here will require us to realize (1) the contrast between work within the small Christian community and efforts at reform in society at large; (2) the contrast between an emphasis on the distribution of the products of labor as in the communism of the New Testament, and a doctrine of work which emphasizes the producer and his relationships; and (3) the contrast between an acceptance of the organization of society as static and one which conceives of Christian "calling" in terms of the modern social revolution.

A very important trend, quite noticeable in the third century, was the distinction which Eusebius drew between the two standards of Christian morality. There was one which has been called a "kind of secondary grade of piety." It recognized accommodation to the morally elementary majority of Christians. This grade of Christian virtue permitted marriage, political activity, military service, farming, trade and general secular interests not explicitly banned. Such Christians as held to this type of life had provided for them special times of religious instruction. The second standard was "above nature, and beyond common human living." It was for the specially religious, enjoining celibacy, poverty, aloofness from the world and entire devotion to the service of God. This dualistic vocational tendency may perhaps be seen in germ in Paul, the *Didache*, Hermas and some of the great thinkers of the period from 180 to 250 B.C. But by the end of the third century it was quite explicit. Here, says Cadoux, "we have the definite beginning of the age-long Catholic distinction between religious and lay morality." [5]

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[4] Op. cit., p. 123.

In the mediaeval period this distinction accommodated itself magnificently to the feudal order in a hierarchy of callings under the control of the church, organic and patriarchal in character and at least externally religious. Even the great craft guilds of the later Middle Ages, in the period of the development of renewed town life, were integrated into this hierarchy of callings. The subordination of the craft guilds to the clergy is still regarded as a model of labor relations by the later popes.

When we come to the religions of the Reformation we find a positive evaluation of work. We shall have more to say in later chapters about the Protestant ethic and the spirit of capitalism. But, thanks to the research of Weber, Troeltsch, Tawney and others we can with confidence affirm the importance of the idea of the "calling" or "Beruf" in Luther. At his hands, labor acquired a previously unknown dignity, for man could serve God in his work be it in the most menial task or in the most respected profession. Thus one showed his obedience to God. No priestly concurrence was needed to decide which vocation is good. "A cobbler, a smith, a farmer, each has the work of his trade, and yet they are all alike consecrated priests and bishops." [6] "What you do in your house is worth as much as if you did it up in heaven for our Lord God. For what we do in our calling here on earth in accordance with His word and command He counts as if it were done in heaven for Him. . . . Therefore we should accustom ourselves to think of our position and work as sacred and well-pleasing to God, not on account of the position and the work, but on account of the word and faith from which the obedience and the work flow." [7] The doctrines of the spiritual priesthood of all believers and of election were bound to influence the idea of secular vocation.[8]

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[5] Op. cit., pp. 468-469.

[6] "Letter to the German Nobility."

[7] Quoted in J. Milton Yinger, *Religion in the Struggle for Power*, pp. 107 f.

In Calvin there is a similarity to Luther's emphasis on "Beruf" but also a difference. For both, work is part of the drama of redemption. The religious calling of every Christian gives to every secular calling a special meaning. Sebastian de Grazia indicates a difference between these two leaders which we shall develop further. The "early Calvinists had a way of writing and speaking of the *majorem gloriam Dei.* The world for them was corrupt and rotten and had to be transformed for the greater glory of God. Lutheranism suffered the world, but Calvinism wanted to master and reshape it by untiring work into a Holy community." [9] While man was for Luther a vessel of the Lord who showed by work his faith in God's scheme of things, for Calvin, man was a tool of the Lord that must remold the earth into a mirror of divine majesty. We may say that Luther would have man realize his vocation *in* his work and that Calvin went further and would have man glorify God *through* his work. This latter idea carried out socially gives work a teleology which has great consequences. Thus, in a strange way, Luther rejects salvation by works but nevertheless has faith express itself in work, while Calvin makes work glorify God. Later Calvinists added a third element, namely, that fruitful work provides a relative assurance against anxiety concerning the state of one's salvation. Luther's view is the more passive respecting one's God-ordained station in society.

In the new world the activism of the Calvinist movement was to express itself vigorously in men like John Cotton: "If thou beest a man that lives without a calling, though thou hast two thousands to spend, yet if thou hast no calling, tending to publique good, thou art an uncleane beast." "God sent you not unto this world as unto a Playhouse, but a workhouse." [10] As late as the nineteenth century in England we hear the reverberations of Scottish Calvinism in Thomas Carlyle's *Sartor Resartus:* "Produce! Produce! Were it but the pitifullest infinitesimal fraction of a product, produce it in God's name! 'Tis the utmost thou hast in thee; out with it, then. Up, up." Again he says, "The mandate of God to his creature, man, is: Work!"

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[8] Forrester, op. cit., pp. 154 ff.

[9] Sebastian De Grazia, *The Political Community,* p. 61.

[10] Quoted in De Grazia, ibid., p. 61.

In the century between John Cotton and Thomas Carlyle we find John Wesley who was also to give additional impetus to the Puritan religious doctrine of work. With him work is not simply or primarily sanctified, but the fruits of work and work as itself a fruit of the redeemed life. Wesley like Luther preached a justification by faith; yet faith is expressed not simply *in* one's "calling," but fruitfully in good works. The Wesleyan formula "gain all you can, save all you can, and give all you can" had real driving power. Wesley laid on all Methodists the stern yoke of stewardship of all life to God: "Render unto God, not a tenth, not a third, not a half, but all that is God's, be it more or less; by employing all of yourself, your household, the household of faith, and all mankind, in such manner that you may give a good account of your stewardship." God requires of us not idleness but faithfulness in all our talents: "So far am I from either causing or encouraging idleness, but an idle person, known to be such, is not suffered to remain in any of our societies; we drive him out, as we would a thief or a murderer. 'To show all possible diligence' . . . is one of our standing rules; and one concerning the observance of which we continually make the strictest enquiry." [11] In his sermon, "True Christianity Defended," Wesley exhorts as follows: "Know ye not then so much as this, you that are called moral men, that all idleness is immorality? That there is no grosser dishonesty than sloth? That every voluntary blockhead is a knave? He defrauds his benefactors, his parents, and the world; and robs both God and his own soul." Every minister upon admission to a Methodist Annual Conference today still consents to the following Wesleyan direction: "Be diligent. Never be unemployed. Never be triflingly employed. Never trifle away time; neither spend any more time at any one place than is strictly necessary." [12]

The Reformation and early Protestantism thus play an important historical role in the relation of religion to work. Luther was, of course, dignifying all callings, not merely the life of labor. Any Christian doctrine of vocation must include both the actual work, the worker, and the ultimate meaning of both. Paul Ramsey makes the sound observation that the Reformation doctrine of vocation requires that Christian love penetrate everything a man does. "This means that he has every possible stimulus for carrying on the philosophical quest for determining the universal needs of human beings for ascending the scale of values as far as possible, for finding out about the highest good, for becoming as enlightened and effective in the attainment of these ends as his capacity allows. For his enlightenment also the Christian is 'servant of all' the sources of information employed by the human mind and 'subject to everyone' of the ways his neighbors' true needs may be adequately found out and best served." [13] The Reformation thinkers themselves did not explore this territory which Paul Ramsey finds them entering, at least not very far. The transition of serving God *in* one's work to serving him *through* work as the fruit of faith is not fully made. Luther was in this regard more conservative than Calvin. He neither accepted the commercial revolution nor the freedom of the serfs. "I do not see many good manners that have come into a land through commerce, and therefore God let the people of Israel dwell far from the sea and not carry on much trade. . . . All I know is that it were much more godly to encourage agriculture and lessen commerce; and that they do the best who, according to Scriptures, till the ground to get their living." [14] Luther's doctrine of religious liberty did not mean a direct attempt to mold society according to Christian ideals. When he heard of a declaration that serfs ought to be free, he wrote: "this article is clean against the Gospel and sheer robbery, for every man who considers his body thus his own has stolen it from the master . . . a serf can, indeed, be a Christian and have Christian freedom. . . ." [15] But Calvin's advance over Luther toward the modern world must not be overestimated. In the

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[11] Quoted by De Grazia, ibid., 62.

[12] *The Discipline of the Methodist Church* (any edition).

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[13] Paul Ramsey, *Basic Christian Ethics*, p. 189.

[14] *Address to the Christian Nobility*, quoted in Yinger, op. cit., p. 66.

[15] See Troeltsch, op. cit., pp. 871-872.

Institutes he writes: "With whatever kind of tribulation we may be afflicted, we should always keep this end in view, to habituate ourselves to a contempt of the present life that we may thereby be excited to meditate on that which is to come. . . . There is no medium between these two extremes, either the earth must become vile in our estimation, or it must retain our immoderate love." [16]

Work as a religious vocation must, we contend, develop a more positive attitude toward the possibilities of human society than the Reformers or even Wesley conceived. Justifying faith is to be found in religious vocation not only or primarily by being faithful in one's appointed duty, but by making of one's work a part of the teleology of the coming Kingdom. This does not imply a radical rejection of the positive gains of the Reformation in its emphasis on the right of religious freedom, conscience, and the triumph over monastic or ascetic hierarchies in life's callings, but it does require an enriching of the essence of the doctrine of divine vocation which is found there only in germ. To limit Christian vocation to serving God *in* one's work is compatible with a static view of society and a conservative social strategy. The further conception of Christian vocation *through* work is dynamic and reformatory. In either view the emphasis must still be on "justification" by *faith* rather than by *works*. The repudiation of justification by works was a sound recognition that any external act or any work, except as expressing sound motives, attitudes and purposes, contributes little or nothing to character and spiritual growth. Christian vocation *through* work unites the spiritual and the reformatory principles required for an ongoing social revolution. It is both personal and communitarian.

IV.

SECULARIZATION OF WORK IN MODERN INDUSTRY

The industrial revolution brought with it not only freedom from mediaeval restraint and freedom from mercantilism but also pride in production and secularization of labor. The classical economic philosophy of Adam Smith and David Ricardo is too familiar to need review. Added to the great changes brought on by the factory system, the development of urban centers, and the capitalist economy was a spirit which rationalized the revolution and gave to millions of persons a new practical creed of work, savings, risk and profit in the midst of competition and exploitation of natural resources and manpower. In this period the social process brought to culmination the transition from status to contract which Sir Henry Maine celebrated in his analysis of law.

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[16] Quoted in Yinger, op. cit., p. 92. See Forrester, op. cit., Chapter 12, "The Doctrine of Vocation as Restored by Calvin and Luther."

Modern society is scientific, technical, industrial, large-scale and highly administrative.[1] In this society the worker has by and large been separated from his individual tools and made subordinate to the machine. This type of social organization steadily "regimented" large numbers of workers under the control of "rugged individualists." Technological process in the profit-system required that men submit to an external discipline over which they had relatively no control. Lewis L. Lorwin wrote just before the passage of the Wagner Act: "The mass of workers in factory, mill, and mine are regimented to a degree unknown to any previous society. Of the forty-nine million people in the United States who today carry on the work of the country, who produce our food, make our clothing, and give us all the necessities and comforts of life, at least thirty-five million are regimented in detail for at least eight hours of each working day. Those who are free from regimentation form but a small minority of the people. They are the large owners of industry, the higher groups in the managerial class, some of the professional groups such as lawyers, and an indeterminate number of businessmen who combine in their own persons the function of entrepreneur and manager."[2] We may add to this latter list some of the farmers.

Modern industry has given us the mass worker and the urban proletariat. Much has been made of the freedom granted under the capitalist system, but only lately has it been adequately noted that these freedoms are largely negative from the standpoints of the worker and of religious vocation. They are the freedoms of isolation, not the freedom of person-in-community making responsible decisions in democratic participation and for ultimately meaningful goals. Much modern freedom is that of the so-called solitary individual, with freedom *from* serfdom, freedom *from* his own tools, freedom *from* skill, freedom *from* the whole product and freedom *from* the solidarity of the family. Thus the impersonal forces of modern economy debase man more and more, despite rises in real wages, and create mass-mindedness by robbing him of effective participation in communitarian criticism and responsibility. He tends to be reduced to "the position of a mere functionary, who carries out a mechanical task in which he is replaceable by others." [3] Rationalism in industry has meant impersonality, anonymity, subordination to time unities, fragmentation of production, the divorce of work from one's personal life, with growing control by bureaucracy in industry and the routinization of labor on all levels.

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[1] See J. H. Oldham, *Work in Modern Society*, published for the Study Department, World Council of Churches by Morehouse-Gorham, New York, 1950.

[2] *Time For Planning*, pp. 58-59.

What confronts our industrial era is the dilemma of great productive potentiality lacking spiritual depth. It is not the failures of capitalist materialism and secularism that are so bad as what passes for success. Man has conquered nature only to have surrendered his spirit to the lower expressions of nature. Emmanuel Mounier, speaking of the effects of the great transformation of work in bourgeois civilization says: "In the degree in which the exploitation of matter in the service of man surpassed and then stifled the demands of this spiritual life, it divided anew the world that was born of its efforts. Little by little it set apart from human living a class of men bound to the labor of their hands and deprived of the dignity that derives from the mastery of one's work or from the conscious participation of manual labor in a vast enterprise of human design. The workers were more permanently injured in their dignity than in their subsistence; they became exiles from culture, from the freedom of life, from the humble joy of labor, and, like genuine exiles, strangers to themselves."[4] No wonder that men designed by their creator for integral accomplishment should have broken the noisy rhythm of the throbs of countless machines with the even louder protests of outraged human nature in thousands of strikes, picket lines, and the world-wide revolt of the masses.

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[3] J. H. Oldham, op. cit., p. 14.

The eminent sociologist, Charles H. Cooley, pointed out the essential slavery of the vaunted system of freedom many years ago before the American trade union movement had so powerfully modified its worst inhumanitarian elements: "Some critics of the present order speak of it as 'wage-slavery,' and if the essence of slavery is being compelled to do work that is in no sense 'yours,' it is true that our industrial work is largely of this kind. It is done out of a sense of compulsion, without real participation, and hence is servile, whatever its form. 'But,' we are told, 'if the workman doesn't like it, he may quit.' Precisely: in other words, the situation is such that the only way to assert oneself, to prove one's freedom or manhood, is to slight his job, or to strike. The self is not only outside the task, but hostile to it. A strike is a time of glorious self-assertion against a hated domination. The misuse of human nature could hardly go further."[5] Positively, Cooley suggests: "we need to revise our system of motives, especially those relating to material production, with a view to giving more encouragement to our higher human nature. And this will involve the building up of somewhat democratic occupation groups with traditions, standards and ideals of service."[6] This challenge is still largely unmet.

V.

SOCIAL ANALYSIS OF WORKERS' MOTIVES AND NEEDS

General Conception. The traditional doctrine of the motives to labor, which the early phase of capitalism and industrialization has bequeathed to us, considered work as painful, though righteous and necessary, and assigned to money the most important incentive. There was an emphasis on the positive goal of self-interest, work being an intrinsically desirable means, and there was also a negative goal of avoiding misery and starvation.[1] It is hardly necessary to refute this stereotype of *homo oeconomicus* as a description of the actual behavior and drives of workers. Man in his economic relationships brings the whole of his human nature into his work situation. We may fruitfully regard human life as dynamic, conative and purposive expressing itself in a wide range of desires, interests and values. Implicated and involved in all the desires of man is the one great drive for actualization, for wholeness and self-realization. The many needs are facets of the one great need. It is not enough that man satisfy the restless cravings of the partial needs; he has a drive toward total meaningfulness in himself, in coherent social relations, and with respect to ultimate meanings. Most of the fallacies regarding human nature, including the outmoded dogma of the economic man, arise from an essentially analytical approach. The division of labor may confine the expression of man's life but it does not erase the fact that his whole-demand is actively outreaching. His various needs and capacities do not all come into the foreground of consciousness and action at once; and because they seem superficially taken, to be directed to diverse ends, the impression is left that these various activities exist independently of each other. The drive for actualization really takes place in an interdependent inter-personal world, though processes of reciprocity and fellowship in community. In summary, all men have within them "divine possibilities and must be accorded a fair and equal chance to become the best of which they are capable." It is required of men to "seek first the Kingdom of God and his righteousness." "Every human ambition must be brought into conformity with this demand." [2]

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[4] *A Personalist Manifesto* (New York: Longmans Green & Co., 1938), p. 21.

[5] *Human Nature and the Social Order*, p. 312.

[6] Ibid., 312.

Social philosophers recognize that the above conception would require the creation and development of a new social order that has these goals. But whether such an order can speedily be ushered in or not, the crucial point is that man is such a being whose nature demands a suitable order in which to express itself and any economic order that fails to understand the human stuff of which it is made is being economically naive or self-contradictory. There can be no industrial peace when human nature is flouted. "We long for a social state," writes Francis J. McConnell, "in which the actual tasks of earning a living are not so heavy as to prevent our getting a chance to show others what is in us. We feel that we have what might be called monopoly personal resources. Not that we desire to enjoy wholly by ourselves the fruit of these resources; all we ask is a chance to get them into play. We hate to die with all our music in us. Perhaps there is not much there, but at any rate we should like a chance to find out." [3]

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[1] See the valuable comprehensive chapter "The Question of Motives," in Wilbert E. Moore, *Industrial Relations and the Social Order*, pp. 336-352.

[2] *The Methodist Discipline* (1944), par. 2010, sec. 3.

A. The Role of the Economic

Financial transactions are so common in wages and salaries that it is natural for persons to speak of workers' motives in monetary terms. But money has no intrinsic value except to the miser. The tremendous role which money plays is as a "means motive" to a great variety of other goals. With respect to an increasing number of goods both tangible and intangible the familiar question is applied: "How much does it cost?" Professor Moore appropriately refers to money as a kind of "universal means" in our society because it is the ubiquitous means of exchange. Yet, many values for which men work cannot be expressed in money terms, for example, status and creative expression. On the other hand, money is also a symbol of power and prestige, neither one of which can be directly purchased in many instances. Money values tend to make all things that enter into exchange as anonymous and impersonal as itself. Yet status and power may, for example, be dependent not on money but on family, occupation, education, political and religious affiliation and many other factors. At the same time money may at times be symbolic of most of these and related to them as means.

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[3] Francis J. McConnell, "Economic Incentives," in K. Page (ed.), *A New Economic Order*, p. 354.

Workers are expected to be motivated by considerations of wages and hours. The amount of wages or the duration of working time may not be quantitatively related to motivation, however, in any simple way. Salary may mean more than wages even when the latter is higher. In the same way a long work-week in a responsible position may mean more than a shorter work-week with lower status. Higher wages, nevertheless, are important, all other things being equal. Hours and wages are relative matters. Money wages are hardly real wages. The social standard of the community enters into the whole complex of so-called economic incentives. Here again the observation of Moore on the acquisitiveness of our pecuniary society is relevant. "Although strongly bolstered by religious doctrines during the early development of capitalism, acquisitiveness did not decline with the decreased emphasis on religious standards and beliefs. In fact, secularization left the ideal of amassing wealth without some of the softening emphases on service, conquest of evil, and avoidance of display." [4] In *The Theory of the Leisure Class* Thorsten Veblen showed what a symbolic role was played by "pecuniary emulation" and "conspicuous consumption." Elton Mayo has also written of "the acquisitiveness of a sick society." [5] R. H. Tawney has written definitively on *The Acquisitive Society.*

The importance of these points is not that economic incentives relate to the immediate goals in our society, but that they refer to human behavior in our cultural epoch rather than to original human nature, or to the way man may respond under other cultural circumstances.

Along with the intermediate aspiration for money which lies between our basic motives and the ultimate goals of living, there is also the desire for power as an intermediate aspiration. We shall have much to say of power in Chapter III and Chapter V on property. Here we must note the role of power in the life of the worker. All persons express power. They may also be instruments of power controlled by other persons. Men are thus both means and ends at the same time. They ought never to be means only or even primarily. For workers, organization is an expression of power as well as an economic activity. Like money, power is a type of "universal means." "Although the usefulness of power is sometimes obscured by the heavy emphasis on wealth, the modern industrial situation indicates that it is an increasingly important goal." [6]

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[4] W. E. Moore, *Industrial Relations and the Social Order,* p. 339.

[5] *Human Problems of an Industrial Civilization* (New York: Macmillan, 1933), p. 153 cited in Moore, ibid., p. 340.

Workers are interested in power, only in part for its own sake, for usually as in the case of income it is involved in a complex means-ends situation. Indeed, income and power, the two great types of universal means are means to increase each other. As these instrumental goods come more and more into the possession of workers they raise special questions regarding the responsibility for the conservation of personal rights and group welfare.

The work experience, therefore, must be viewed as a complex social and ethical whole, not primarily as a matter of pecuniary self-interest. It is instructive to note how discontented and rebellious workers may remain even when they have a "pay raise" but are denied other values which they regard to be their "rights." The fact that men procure numerous other values through money-means deceives many into trying to derive them from money. The fact, for example, that so few are really able to make the best use of their economic power and leisure time shows how much religion and education have yet to do in providing a practical program of vocation in the factories, in trade unions, and in the social order generally.

The relative position of pecuniary to non-pecuniary factors in the work situation was indicated years ago by Henri DeMan in a book called *Joy in Work*. His study of seventy-eight autobiographical reports of German workers indicate the following hindrances to joy in work and show a decided non-pecuniary group of difficulties: (1) too great monotony of motion; (2) reduction of initiative to a minimum; (3) great fatigue; (4) unjust conditions amid ugly surroundings; (5) harsh discipline from above; (6) a feeling of loss of standing in the community; (7) a sense of economic insecurity.[7]

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[6] Moore, ibid., p. 341.

B. The Significance of the Person

An adequate conception of labor will be personalistic. It will conceive of the producer in such a way as to assign priority to the personal over the impersonal factors. "Human work," writes Emmanuel Mounier, "is the one and only agent that is properly personal and productive in economic activity; money can be gained only through personal union with labour, and responsibility can be assumed only by a human agent." [8] This does not mean that labor is man's primary value, for labor may be a commodity but the person never. Personality which gives itself freely in love and productivity will always transcend the necessary labor which enters into the contractual responsibilities in any economic order. Labor must not become an abstract ism. Work alone is not a valid gospel. It should not be made a cult. Moreover, try as men should to overcome the painful, constraining, fatiguing, solitary or monotonous aspects of work, the fact remains that labor will always have an admixture of these elements. Men must work if there is to be bread; but men do not live by the bread alone.

Labor has dignity through the responsible activity of the person and links him not only to processes of actualization but to the comradeship of service to other persons in an interdependent community. Although much work is unpleasant, even unpleasant work which is deeply significant loses much of its unpleasantness. Skilled and responsible work give a sense of gratification and positive enjoyment. Men and women derive pleasure from learning a new job, becoming more proficient in it, for it provides a definite feeling of achievement and of self-actualization. Culture therefore must not be allowed to escape the challenge of providing through economic activities creative opportunities which place a high value on workmanship. The ability to handle oneself with practical self-reliance under frontier conditions or in the face of changing environmental challenges has elicited among Americans, for example, a pride in work and a disdain for the "dandy" and the "idle rich."

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[7] *Joy in Work.* See Adam Curle, "Incentives to Work: An Anthropological Appraisal," in *Human Relations,* (vol. II, No. 1, 1949), pp. 41-48.

[8] *A Personalist Manifesto* (N. Y.: Longmans Green and Co., 1938), p. 197.

The personal dignity of labor is reflected in the need for responsible employment. As Karl Mannheim says: "Enforced discontinuance of work creates feelings of frustration and unhappiness, as we know from studies in unemployment. Once a person is trained for significant and self-expressive work, working means joy and withdrawal or denial of work is not only painful but disorganizing to the personality." [9] Two ideas must thus be held coordinately: the duty to work and the right to work. Both belong to a modern bill of rights and duties. In an interdependent community of work, the opportunity to work becomes an essential aspect of the freedom of the person.

It is instructive to note that the idea of the right to work has expressed itself by constitutional provisions in several countries. Brazil: "Everyone is assured work that enables a dignified existence." Cuba: "Labor is an inalienable right of the individual. The state shall employ all the resources in its power to provide an occupation for everyone who lacks such." France: "Everyone has the duty to work and the right to obtain employment." The emphasis on the obligation to work is to be noted in the constitution of that nation which once stressed the philosophy, "From each according to his ability; to each according to his need." In the 1936 constitution of the U.S.S.R. we read: "In the U.S.S.R. work is a duty and a matter of honor for every able-bodied citizen, in accordance with the principle, 'He who does not work, neither shall he eat.' The principle applied in the U.S.S.R. is that of socialism, 'From each according to his ability, to each according to his work.'" It is interesting to note that this provision contains a quotation from 2 Thesolonian 3:10.[10] With similar realism some other constitutions refer to the right of the state to claim honest work from its citizens. Ecuador: "Work shall be compulsory for all members of the Ecuadorian community, subject to consideration of age, sex, health, etc. and allowing freedom of choice." Paraguay: "All inhabitants of the Republic are obliged to earn their living by legitimate work." Yugoslavia: "It is the duty of every citizen to work according to his abilities; he who does not contribute to the community cannot receive from it."

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[9] *Freedom, Power and Democratic Planning*, pp. 226-227.

[10] These constitutional quotations were suggested to the writer by Mr. Carl Soule, Commission on World Peace of the Methodist Church.

On December 10, 1948, the General Assembly of the United Nations adopted the "Universal Declaration of Human Rights" some of whose articles have a special bearing on the dignity of the person in economic life. Article 4: "No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms." Article 23: "1. Everyone has the right to work, to free choice of employment, to just and favorable conditions for work and to protection against unemployment. 2. Everyone, without any discrimination, has the right to equal pay for equal work. 3. Everyone who works has the right to just and favorable remuneration insuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. 4. Everyone has the right to form and join trade unions for the protection of his interests." Article 24: "Everyone has the right to rest and leisure, including limitations of working hours and periodic holidays with pay." Article 25: "1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."

If work is to regain its personal quality several practical problems must be faced. These have to do with work itself, with the fact of employment in masses, with technics, with security, with significant working relations, and with the participation of men in the responsible decisions of the industrial process itself. We have said that man is greater than work. He needs, however, to fulfill his vocation before God in his work and through his work and then to be free enough to put work in its proper place in a hierarchy of values. We shall deal below with the social reality of work and the new realization that individualism is unrealistic as a personnel principle in modern industry. Here we shall deal briefly with the need to triumph over technics, the worker's aspirations in the job, and his yearning for responsible participation.

Experimentation is needed in all of these problem areas, but enough has been accomplished so that men can have a reasonable confidence in their ability to go farther. We may cite the Tennessee Valley Authority as one example. David Lilienthal remarks that what is really important in the TVA is that there "has been a change in the spirit of the people themselves, a change in the direction of greater self-confidence, as they have had more diverse outlets for initiative and enterprise in business, in farming, in education, in civic affairs, and in the whole range of living. The American experiment has fortified men's confidence that human beings need not be chained to the wheels of technology, but that man can use the machine in the interest of human welfare." [11] For personality and community to triumph over technology it is thus necessary for social planning in behalf of freedom to be done on a sufficiently wide scale to accomplish elsewhere what has been done in the Tennessee Valley.

Workers need security. This is a collective term which covers a multiple of ideas. It probably means, on the whole, "a guarantee that other ends will be satisfied." [12] Thus it may refer to job security, keeping well-liked work rules, constant employment, good pay, possibilities of advancement, old-age provisions, seniority, tenure status and the like. Some of these are economic in the monetary sense. Others are nonmonetary. Illustrative of the drive for security are not only union campaigns for pensions but also the guaranteed annual wage. In the latter case what is really sought is guaranteed annual employment. Because the goal of security involves both the necessity of predictability and that of control, the use of power is often more important for this purpose than money. For this reason men may group together to restrict output and to resist "exploitation." We shall deal with these cooperative aspects more in the next section. Men need a dependable social environment if they are to do their best work.

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[11] *This I Do Believe*, p. 50.

[12] W. E. Moore, *Industrial Relations and the Social Order*, p. 343. The subsequent discussion owes much to this work.

When it comes to pleasant working conditions it must be noted that some of these can be contracted for while others cannot be purchased or demanded by power, but are dependent on constructive social inventiveness and spiritual achievements. Men do desire reasonable conditions with respect to temperature, humidity, dirt, noise, illumination. But men need to have "work rules" which are satisfying. We shall see below that "the establishment of pleasant working relations depends upon the interplay of complex and often highly divergent personalities, and therefore within the present state of knowledge is subject to considerable chance and unpredictable error. It is in general easier to recognize symptoms of failure to achieve this goal than it is to formulate any but some negative rules of success." [13] There are numerous instances on record of men who are capable of performing their official duties quite well, but who seem not to "get on" well or who cannot "find themselves." "The cult of happiness in our society," writes Professor Moore, "does little to dispel such maladjustments; on the contrary, it accentuates the contrast between the ideal and the actual for those persons who are poorly integrated into occupational life." [14]

By no means are all workers in present-day society eager to accept their religious vocation to participate responsibly in the important decisions affecting industrial process. This may then appear to be merely an ideal or a utopian demand. But the problem is a persistent one. The economic order has miseducated many who for that reason are likely to settle for little or no responsibility and for hedonistic personal living. Of course, not all want or can have administrative positions. Yet all are members of the industrial and commercial community just as truly as they are members of the political community. Education for responsible economic participation is therefore integral to religious vocation in industry. That many in the trade unions have not yet this personalistic insight is but a commentary on the immaturity of current economic life.

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[13] Moore, ibid., 345.

[14] Loc. cit.

Without ignoring the pecuniary or economic aspects of work in modern society, it is urgent to face the real needs of men as men and to make such modifications in plant management, union procedure, and participation by workers as will increase the sense of responsibility. David Lilienthal says with striking vigor that "as technology has been managed thus far it has, by and large, rather diminished than increased the average man's accountability for and participation in the vital decisions of his daily life. As a consequence of this trend men's ethical standards are threatened with atrophy, and a weakening of that respect for the sacredness of the human personality without which the concept of man's stewardship is rendered empty and meaningless."[15] The report in *Fortune* which we summarized at the beginning of this chapter brings this out with striking gravity.

C. The Community Principle

The principle of religious vocation has to do with significant wholeness for the person in his productive sphere; but the idea of personality is a communitarian conception. Work, we have found, involves many component factors such as group-satisfactions, status, responsibility, cooperation, discipline, craftsmanship, personal dignity and the sense of performing socially significant service. Of course, not all occupations carry the same components of actual or possible satisfactions. The scholar, the salesman, the artist, the physician, the lawyer, the civil servant, the social worker, the mechanic, the plumber, the electrician, and the clergyman—all experience different ranges of gratification or the lack of it. Fame, service to humanity, position, authority, as well as intellectual satisfaction enter into the situation. The psycho-social satisfactions must, therefore, be comprehensively and specifically surveyed and any doctrine of vocation must take them into account. Such an analysis will include at least the following elements which Karl Mannheim has suggested: "(a) the nature of the work; (b) the position accorded by a given society to different occupational pursuits; and (c) the degree of gratification resulting from many historical factors. Hierarchies of prestige, once established and lived in, are apt to survive changing conditions and often escape functional or rational explanation. (d) All this must be seen in the context of the social process that consciously or unconsciously shifts prestige from one type of work to another." [16]

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[15] *This I Do Believe*, p. 47.

The integral point of view, combining the principles of personality, community and transcending meaning, is approached in some of the more significant literature of our time in this field. For example, in the volume *Labor's Relation to Church and Community,* T. North Whitehead of the Graduate School of Business Administration at Harvard writes on "Meaningful Jobs for Whole People." "What has to be made meaningful is not just the job by itself, but the lives of the workers, both when they are on the job and at all other times. To be meaningful, a man must see his life as an integrated whole in which all his activities bear a relationship to one another." [17]

There is no more important scientific demonstration in the social sciences of our generation than the validity of the group or community principles in labor relations. Work is social in at least a fourfold sense. It has never been a purely individual affair in any developed society, though individual acts of work do occur. Hard individual effort often brings significant results to the worker. But work in organized society is communitarian. First, there is a coordination of efforts which are assigned to various functions, roles or divisions of labor-power. Secondly, there are physically side-by-side operations, joint exertions of man-power, teams and groups on expeditions or in fields or factories. Thirdly, there is the experience of community in the group life of the worker on the job beyond the coordination or cooperation of the man-power effort. Fourthly, there is the interdependent community which embraces all lesser groups.

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[16] Karl Mannheim, op. cit., p. 267 f.

[17] Liston Pope (ed.), *Labor's Relation to Church and Community* (New York: Institute for Religious and Social Studies), p. 1.

What social scientists and certain personnel managers have learned is that human nature expresses itself best in small groups. Elton Mayo's work is well known for his demonstration that the small group in the factory has to make up, and to a considerable extent can make up, for the loss of the neighborhood in the larger community. He writes: "Economic theory in its human aspect is woefully insufficient; indeed it is absurd. Humanity is not adequately described as a horde of individuals, each actuated by self-interest, each fighting his neighbor for the scarce material of survival." [18] It is necessary for industrial leadership to "transform a horde of 'solitaries' into a social group." [19] Though not excluding the individual, Mayo stresses the importance of groups and methods of understanding the behavior of groups, whether formally organized and recognized by management or self-constituted, informal organizations. He rejects what he calls "the Rabble Hypothesis" which grew out of the Manchester School's presentation of economic principles. He notes also that the profit motive as a basis of business organization failed entirely. Democracy must have a conception of group life and adaptive behavior very different from that of a "horde of unorganized individuals." Clinical work in industry based on knowledge-of-acquaintance of the actual events and intimate understanding of the complexity of human relationships, "ran headlong into illustration of the insufficiency of the assumption that individual self-interest actually operates as adequate incentive." [20] Given the opportunity of communication and collaboration amongst themselves, the workers in a "problem" department of a textile mill greatly increased their efficiency and the labor turnover dropped from 250 per cent to 5 per cent. Experiments led to the conclusion that "associative instincts overshadowed material conditions as determinants of productivity. Where individuals became a team, not only did their productivity increase, but their personal outlook and their ability to collaborate changed for the better."

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[18] *The Social Problems of an Industrial Civilization* (Cambridge: Harvard School of Business Administration),, p. 59.

[19] Ibid., p. 67.

[20] Ibid., p. 59; cf., p. 67.

Work and men must be considered together. One outstanding authority applies the integral point of view and says: "I should like to suggest that the manager is neither managing men nor managing work, but that he is managing a coordinated set of activities; he is administering a *social system*. That is the human relations approach as contrasted with any approach which implies that people at work can be considered separately from their work." [21] The communitarian principle can hardly be overemphasized. Let us use one more scientific illustration.

In 1946-1947 a group of social scientists from Yale University conducted an industrial case history study of a town in Pennsylvania which is named *Steeltown* in the published report. One of the facets of the investigation was to probe into job satisfaction. The investigators paid special attention to the workers in that portion of the plant called "Hot Mill." They found "that the source of satisfaction most often articulated or implied was that of being a part of, or having membership in, the hot mill crew." [22] The men were enthusiastic about this relationship. Participation in the small group was the main reality.

The solidarity of the group in Steeltown was aided by such other factors as a group bonus system which provided a strong economic incentive. A second factor was familiarity through long service and this meant that a man had worked at many, if not all, of the jobs in a crew. Another reinforcing factor was what the people call the father-son system. Families for more than a generation had been steel-mill workers. Then, too, there were well-developed techniques and practices of self-discipline and even of supervision within the crew. The group and not the supervisor, however, was the most powerful disciplinary force in the mill.[23] All in all, there was a system of loyalties which rose like a kind of pyramid from pride in the primary group at the base to pride in the local plant at the apex. It is significant that all the men "including the superintendent, the general foremen, job foremen, keymen and the least skilled workers shared the heat, noise, dust, dirt, and danger." [24]

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[21] From F. J. Roethlisberger and W. Dickson, *Management and the Worker,* quoted in S. Chase, *The Proper Study of Mankind,* p. 144.

[22] Charles R. Walker, *Steeltown,* p. 60.

[23] Ibid., pp. 68-69.

The group experience was thus the dominant source of satisfaction. Other psychological factors were listed by the men but they do not place the pecuniary incentive next even after the emphasis on the crew.

The men in *Steeltown* give, in the order of frequency, the following additional reasons for liking a job: (1) inherent responsibilities in the job situation, (2) work with a variety of problems which challenge the imagination, (3) good pay, (4) awareness of know-how and skill, (5) easy work, and (6) being used to the job. All of these are probably secondary to the satisfactions derived from the social organization of the crew.[25] When men expressed reasons for not liking hot mill jobs, they were: "too hard," "monotony," "isolation," and "noise and heat." This reminds one of the list composed much earlier by Henri DeMan and cited above. Personal satisfactions and group satisfactions interpenetrate.

VI.

ORGANIZED LABOR AND HUMAN VOCATION

The social principle in work finds expression not only in small groups in industry but also in the great associations of trade unions. Much of their drive, as we have seen, comes from the desire to satisfy not only pecuniary but also the personal and social needs of workers. They have thus had significance from a spiritual point of view. This may be expressed in the phrase by Myrna Siegendorf, "The Union gives John Doe a Face and a Name." [1] Labor's relation to church and community is an increasingly important aspect of American life. We shall have more to say about organized labor in Chapter IV. Before discussing the problem of ultimate meanings in the religious conception of work, we must turn to some of the incentives in management. In the final analysis it may be arbitrary to separate religious vocation into two classes—the worker and management. We are doing so because our society has created this division. When we have examined management's role we shall note again the need for an over-all integration of person, community and ultimate meaning. Unions have grown and their organizing drives have been successful in so large a measure because management had failed to satisfy workers' psychological and social needs as well as their economic ones. The economic concessions have only accelerated instead of impeded union membership, thus revealing a lack of appreciation of the several motives which impel workers to join unions.[2] The old order which is passing may be symbolized by the saying of Henry Ford, "All men want is to be told what to do and get paid for it." [3] The prospect of a new social order may be symbolized in the phrase of T. North Whitehead, "Meaningful jobs for whole people." We have to consider, therefore, not primarily the specific goads whose impetus to work hardly outlast, in an adverse environment, their application, but more basically the structure and orientation of society. The British anthropologist, Adam Curle, points out that the need of the moment "is a form of society in which the anxious tensions resulting in withdrawal and isolation from the integrated purposes of the group can be reduced." Where workers are properly related to the whole process of industry and community they will perform the functions which are necessary to the group.[4]

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[24] Ibid., p. 71.

[25] Ibid., pp. 60, 63.

[1] In Liston Pope, *Labor's Relation to Church and Community.*

The religious vocation of the worker thus raises the issue brought out so clearly in the Bible, the relation of the worker to God and to the community which he is seeking to create. From the Christian perspective vocation expresses itself in service to this responsible society under God. In this destiny of interdependent economic life and work the Christian community which is called the church comes into direct relationship with the associations of labor and management, of farmers and farm-laborers. For vocation is not, as we have seen, an individualistic conception but a divine-human encounter which is solidaristic. Work to be vocation must produce both character in the person and civilization. What the Old Testament at times viewed as the problem of God's work with Israel has become the historic drama of workers in relation to responsible world community. Each trade or service plays its role on no less significant a stage than that. This stage is not simply a place but a criterion of inclusive obligation.

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[2] C. S. Golden and H. J. Ruttenberg, *The Dynamics of Industrial Democracy,* pp. 20 f.

[3] Quoted in ibid., p. 22.

[4] Adam Curle, "Incentives to Work," *Human Relations,* vol. II (1949), p. 46.

CHAPTER III

RELIGIOUS VOCATION —MANAGEMENT

I.

THE GOSPEL OF WEALTH

The whole person goes to work. So also the whole person occupies the position of business leadership, of management or of ownership. If the discussion of work and the worker has historically suffered because of the "economic man" stereotypes, it is no less the case that the conception of management has suffered from the same generalizations. Indeed, management has participated greatly in the creation of the stereotypes from which it now suffers. "The man within the business man is commonly inconsistent with business philosophy." We shall give considerable attention to the conflict between the traditional assumptions regarding the grounds of economic activity in the profit system and the empirical analysis of dynamic factors which reflect themselves despite traditional doctrines of man and his motives.

Management is work and comes under that general heading. But the tradition of the owner-manager is so distinctive and is entangled with the values of applied theology at so many points, that it is instructive to deal with the issues peculiarly relevant to business leadership. A frank appraisal of business leadership conceptions may push the discussion of economic responsibility significantly forward. Moreover, since the leading ideas of an era tend to be the ideas of the leading persons, the traditions of business management and business goals are significant for a full understanding of workers as well. The success standards of management in business life and in the expenditures of income tend to set the pace for society at large. Success and power are the idols of the market place. Business leaders tend to relate them closely to the idol of "freedom."

We shall not deal here with the question of economic power and its relation to freedom. That issue we recognize with John M. Clark is a central problem of the future just before us. "The amount of freedom we can keep is limited and measured by the degree of responsibility with which economic power (in the hands of organized groups) is exercised and limitations upon it are voluntarily placed." [1] Our effort is restricted first to the historical development of religious and secular atttudes to capitalism, second to the question of the profit-incentive, and then to the problem of education for an adequate economic leadership.

A. The Protestant Ethic and the Spirit of Capitalism

From the time of the Reformation with its emphasis on vocation to the present confusion of economic stereotypes a great cultural shift must be noted. The shift constitutes a deterioration in the composition of vocation from religion to a crude secularism. We have briefly reviewed the attitudes toward economic life and vocation in the two previous discussions as found in Luther and Calvin. The religious ideas of these men interacted with the whole complex of social conditions and can hardly be understood apart from them. The success of religious doctrine does not determine its truth but success does depend on the cultural forces which are interlocked with it. The Lutheran and Calvinistic doctrines of the calling spoke to the social condition of their times but they were also partially remolded by the economic and political forces which influenced and controlled the class structures of Western Europe in the sixteenth century. Lutheranism as such did little toward achieving a new social order; but it did help to preserve the middle-class traditionalism of Germany. Moreover, no authoritative scholar would think of correlating the appearance of capitalism solely with Calvinism. In its secular roots capitalism is much older than the Reformation.[2]

There is a vast literature on the relation of the Protestant ethic to the spirit of capitalism.[3] Most of it does not concern us here since the major relationships are generally well known. Whatever the origin of capitalism, there can be little doubt that the coalescence of the Reformation ethic of the calling and the economic virtues of capitalism gave to economic enterprise among Protestants a peculiar quality and reinforcement. The Protestant ethic "through the processes of its own internal dynamic development . . ., in a manner quite unforeseen by its founders, had the practical effect of creating attitudes which could not but powerfully further types of activity of the greatest importance to economic life." [4]

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[1] See John M. Clark, *Guideposts in a Time of Change,* p. 62.

[2] Werner Sombart, *The Quintessence of Capitalism,* tr. and ed. by M. Epstein.

Calvinism underwent a considerable development from the sixteenth to the eighteenth century. Even in the days of Calvin's Geneva the practical situation helped determine his political, social and economic ideal. Not the accumulation of riches but their misuse was declared to be the enemy of religion; thus was religion adapted to the spirit of capitalism and of business enterprise. By the eighteenth century, life in America had given a strong utilitarian bias to Protestant attitudes. To these we turn as expressed in Benjamin Franklin.

B. Franklin and the Way to Wealth

The writings of Benjamin Franklin have been used as an expression of the "ideal type" of the spirit of capitalism. Some of his sayings which impressed Weber included: "Remember, that *time* is money . . . Remember, that *credit* is money . . . Remember, that money is of the prolific, generating nature. Money can beget money, and its offspring can beget more, and so on . . . He that kills a breeding-sow, destroys all her offspring to the thousandth generation. He that murders a crown, destroys all that it might have produced, even scores of pounds." "After industry and frugality, nothing contributes more to the raising of a young man in the world than punctuality and justice in all his dealings."[5] There are others in *The Way to Wealth* which are equally striking: "Sloth, like Rust, consumes faster than Labour wears; while the used Key is always bright." "He that hath a Trade hath an Estate; and he that hath a calling, hath an Office of Profit and Honour." "God gives all Things to Industry." "Be ashamed to catch yourself idle." "Trouble springs from Idleness, and grievous Toil from needless Ease."

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[3] See Max Weber, *The Protestant Ethic and the Spirit of Capitalism;* E. Troeltsch, *The Social Teachings of the Christian Churches;* R. H. Tawney, *Religion and the Rise of Capitalism,* J. M. Yinger, *Religion in the Struggle for Power.*

[4] Talcott Parsons, quoted in Yinger, op. cit., p. 84. See Forrester, op. cit., pp. 152-167.

In Franklin we see the historical coincidence or convergence of the economic virtues appropriate to an age of scarcity and the this-worldly asceticism of Puritanism. Thrift, honesty, sobriety, temperance, chastity, zeal and frugality function well in a Puritan or evangelical discipline and also in the life of a small middle-class business man or self-employed farmer. The social utility of these virtues would be sufficient by itself to give them moral approval and sanctions in the early days of capitalist development and in the winning of America as a colonial settlement. When they coincided with the religious virtues of the disciplined life they were, of course, greatly reinforced by the group life of persons in the church. With the development of individualism they lost the controlling guidance of the solidaristic Christian ethic. What emerged were secular gospels of work and wealth.

C. The Gospel of Work and the Gospel of Wealth

The vocational spirit of management in America has been greatly influenced by a gospel of work and a gospel of wealth. These have been closely intertwined and have attracted both secular and religious representatives. This development is not in its religious form essentially different from what took place in the relationships of religious vocation and the worker. By the nineteenth century the class divisions of American society caused the Christian gospel to be institutionally carried by the bourgeoisie, while the laboring classes were steadily and progressively alienated from the churches. Cotton Mather in the early eighteenth century argued that every Godly man had two callings, the first of which is "to serve the Lord Jesus Christ." The second is "a certain *Particular Employment,* by which his usefulness in his neighbourhood is distinguished." In these two callings a Christian is to be likened to "man in a Boat, Rowing for Heaven; the House which our Heavenly Father hath intended for us. If he mind but one of his *Callings,* be it which it will, he pulls the *oar,* but on one side of the Boat, and it will make but a poor dispatch to the Shoar of Eternal Blessedness." [6] This obligation to work is reflected in the popular evangelical hymn of the nineteeth century, "Work for the Night is Coming."

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[5] Max Weber, *The Protestant Ethic and the Spirit of Capitalism,* tr. by Talcott Parsons, pp. 48-49.

By the latter half of the nineteeth century, when capitalistic industrialism began to accelerate its tempo and America entered what Mark Twain called the era of the Gilded Age and which others have called the Great Barbecue, the secular application of this gospel of the calling was in full swing. During the 1880's students in American college courses in ethics were familiar with D. S. Gregory's *Christian Ethics* in which he argued, "By the proper use of wealth man may greatly elevate and extend his moral work. It is therefore his duty to seek to secure wealth for this high end, and to make a diligent use of what the Moral Governor may bestow upon him for the same end . . . The Moral Governor has placed the power of acquisitiveness in man for a good and noble purpose." [7] Another voice of that period was Mark Hopkins: "With no right to the product of his labor no man would make a tool, or a garment, or build a shelter or raise a crop. There could be no industry and no progress. It will be found too, historically, that the general well-being and progress of society has been in proportion to the freedom of every man to gain property in all legitimate ways, and to security in its possession . . . The acquisition of property is required by love, because it is a powerful means of benefitting others . . . A selfish getting of property, though better than a selfish indolence or wastefulness, is not to be encouraged . . . Industry, frugality, carefulness, as ministering to a cheerful giving, would then not only be purged from all taint of meanness, but would be ennobled."[8] The duty to be diligent in one's earthly calling, then, becomes in Gregory and Hopkins an amalgam of individualism, the sanctity of private property, and the duty of philanthropic stewardship. By 1900 this gospel in the person of Bishop Lawrence of Massachusetts had taken on the formula that to acquire material wealth is natural and necessary. He argued as follows: "In the long run, it is only to the man of morality that wealth comes. We believe in the harmony of God's universe. We know that it is only by working along His laws natural and spiritual that we can work with efficiency . . . Godliness is in league with riches. . . . Material prosperity is helping to make the national character sweeter, more joyous, more unselfish, more Christlike. That is my answer to the question as to the relation of material prosperity to morality."[9] R. H. Gabriel remarks that Bishop Lawrence had transformed Cotton Mather's rowboat into an ocean liner.

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[6] Cotton Mather, *Two Brief Discourses, one directing a Christian in his General Calling; another directing him in his Personal calling,* 1701, pp. 37-38, quoted in R. H. Gabriel, *The Course of American Democratic Thought,* p. 148.

[7] Ibid., p. 148.

Yet none of these apostles of complacency and acquisitiveness matched in popularity Russell H. Conwell's gospel which he proclaimed six thousand times in the lecture called "Acres of Diamonds." "To secure wealth is an honorable ambition, and is one great test of a person's usefulness to others . . . Money is power. Every good man and women ought to strive for power, to do good with it when obtained. Tens of thousands of men and women get rich honestly. But they are often accused by an envious, lazy crowd of unsuccessful persons of being dishonest and oppressive. I say, Get rich, Get rich! But get money honestly, or it will be a withering curse."[10] Many did give liberally. Many did not fear the curse.

Among the laymen who expounded the gospel of work and wealth were Andrew Carnegie, John D. Rockefeller, Horatio Alger, William Makepeace Thayer, William McGuffey, Henry Ford and

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[8] *The Law of Love and Love as Law,* quoted in Gabriel, ibid., p. 149.

[9] Ibid., p. 150.

[10] Ibid., p. 149.

Orison Swett Marden. In their utterances and in a host of others there was also to be found the gospel of success. More liberal in many respects than many leaders of his age we may, nevertheless, cite Andrew Carnegie's writings as a reflection of dominant trends. His *Triumphant Democracy* which appeared in 1886, the year of the Haymarket Riot, "hymned, in a statistical paean, the immense industrial progress of America and flung taunts at England's monarchical government." This was followed by other books, *The Gospel of Wealth* in 1901, The *Empire of Business* in 1902, *Problems of Today* in 1908, and the *Autobiography* in 1920. Here was a fusion of personal moral restraint, adventure, romance, imagination, daring, success, power and philanthropy.

"The coming business man," writes Carnegie, "is not to be discouraged by anything that anybody can say. He is a true knight who says with Fitzjames:

'If the path be dangerous known,
The danger self is lure alone.'

The young man who is determined to be a business man will not be thwarted, neither will he be diverted into any other channel . . . He must go ahead and find out. Time enough to confine yourself to a life-long bondage as mere receivers of a salary after you have tried business. . . . To make money is no doubt the primary consideration with most young men who enter it. I think if you will look into your hearts you will find this to be true. But while this may be the first, it should not be the last consideration. . . . The successful man of affairs soon rises above the mere desire to make money as the chief end of his labors; that is superseded by the thoughts of the uses he performs (in developing the resources of the country, in furnishing employment to thousands, in developing inventions). . . . The merchant soon finds his strongest feeling to be that of pride in the extent of his international operations; in his ships sailing every sea. The manufacturer finds in his employees, and in his works, in machinery, in improvements, in the perfection of his factories and methods his chief interest and reward. The profitable return they make is chiefly acceptable not because this is mere money, but because it denotes success . . . I can confidently recommend to you the business career as one in which there is abundant room for the exercise of man's highest power, and of every good quality in human nature. (It) is a stern school of all the virtues, and there is one supreme reward which it often yields which no other career can promise; I point to noble benefactions which it renders possible. It is to business men following business careers that we chiefly owe our universities, colleges, libraries, and educational institutions, as witness, Girard, Lehigh, Chicago, Harvard, Yale, Cornell and many others."

"If then," concludes Carnegie in *The Empire of Business,* "some business men may fall subject to the reproach of grasping, we can justly claim for them as a class what honest Thomas Cromwell claimed for the great cardinal, and say: 'If they have a greed of getting, yet in bestowing they are most princely, as witness these seats of learning.' "[11] The bestowing had its rewards in power and control, for in the era represented by Carnegie, places on boards of trustees formerly held by ministers began to be filled more and more by wealthy laymen. And many a college presidency was filled as a result not by a Christian minister but by a business man who would have the so-called confidence of the so-called solid citizens of the community.

If in retrospect it seems almost shocking to observe that there has been such a coalescence between the religion of the nation and its dominant success materialism, it must not be forgotten, as was pointed out in Chapter I, that the conservative institutionalized expression of religion tends to conform or to be accommodated to the basic drive of a culture. Yinger is correct in observing: "One acquainted with the theory of the behavior of religious groups would have been able to predict that if the business man were coming into an age of power, religious doctrine would soon sponsor him. This is not a cynical statement (decrying the inconstancy of religious teachings), for once again we must recall the dilemma of the churches:

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[11] Andrew Carnegie, *The Empire of Business,* pp. 149-165.

only by such sponsorship could they begin to control the behavior of this powerful group."[12]

Dominant religious ideas in any cultural epoch are not likely to conflict radically with dominant economic or political practices. Tensions between Christian demands and cultural accommodations will be carried by a prophetic minority. The fact that the gospel of work, wealth and success in late nineteenth-century Protestantism does not resemble very closely the dynamic spirituality of the New Testament is not to be explained by showing the difference between the dominant culture patterns of the first and the nineteeth centuries. The religion of the first-century Christians is that of a prophetic protest group, not that of the dominant Jewish or Roman community. There was, for example, more affinity between the spirit of Rauschenbusch and that of the Synoptic Gospels than between Russell Conwell and the early church. A Russell Conwell would not have been possible until after Constantine. But even Rauschenbusch had a positive evaluation of history which most of the New Testament community did not share.

To the great business leaders of the nineteenth century it was not a shocking Christian tragedy that the alignment of business and religion meant moralistic rationalization of the alienation of the workers from the churches. Even to the present day there is little evidence that the phenomenon of middle-class churches shocks the sensibilities of the dominant economic class. In the very period that the gospel of work and wealth came into its own, there was absent any real philosophy of vocation which united management and the worker in a democratic and religious whole. The sufferings of the masses in this world were viewed as inevitable. Concern was with doctrine and belief. Labor organizations were opposed because they tended to be irreligious in this respect and tradition breakers. There resulted a general decline in religious enthusiasm among the working classes. Questionnaires were sent and other enquiries were made by religious leaders who were alarmed at the growing separation and alienation.

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[12] J. M. Yinger, *Religion in the Struggle for Power*, p. 128.

The results reflected growing sullenness, resentment, cynicism. But the disbelief concerned the church, not Christianity.[13] "When the capitalist prays for us one day in the week, and preys on us the other six, it can't be expected that we will have much respect for his Christianity." [14] And Samuel Gompers wrote in 1898: "My associates have come to look upon the church and the ministry as the apologists and defenders of the wrong committed against the interests of the people. . . ." [15]

D. The Secular Credo as a National Trait

That the vocational philosophy which we have sketched was not limited to a few outstanding leaders and writers, but was characteristic of the national temper is seen from the impression America made on a French observer like de Tocqueville and in the analysis of Middletown by the Lynds many decades later. "It is strange to see with what feverish ardour the Americans pursue their own welfare; and to watch the vague dread that constantly torments them lest they should not have chosen the shortest path which may lead to it. A native of the United States clings to this world's goods as if he were certain never to die; and he is so hasty in grasping at all within his reach, that one would suppose he was constantly afraid of not living long enough to enjoy them. He clutches everything, he holds nothing fast, but soon loosens his grasp to pursue fresh gratifications. In the United States a man builds a house to spend his latter years in it, and he sells it before the roof is on; he plants a garden, and lets it just as the trees are coming into bearing. . . . Death at length overtakes him, but it is before he is weary of his bootless chase of that complete felicity which is forever on the wing." [16] This ideal of ceaseless action, of effort, and of conquering accomplishment makes of life, as Frank Knight says, "a sort of labor of Sysyphus." But it evolved into a credo as the eminent sociologist Robert Lynd showed in his analysis of Muncie, Indiana. As de Tocqueville interpreted nineteenth-century America, so Lynd described the social character of the 1920's and '30's. We select a few of the more relevant articles in that town's credo:

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[13] See C. H. Hopkins, *The Rise of the Social Gospel in American Protestantism*, Chapter 5.

[14] Ibid., p. 85.

[15] Ibid., p. 85.

[16] Alex de Tocqueville, *The Republic of the United States of America* (New York: A. S. Barnes, n.d.), vol. II, 144-145, quoted in de Grazia, op. cit., pp. 67 f.

"By and large Middletown believes:

That one should be hard-working and persevering. 'Hard work is the key to success.'

That a man owes it to himself, to his family, and to society to 'succeed.'

That social welfare, in Middletown and elsewhere, is the result of two factors working together—the natural law of progress and the individual law of initiative, hard work, and thrift—and therefore:

That any interference with either of the two is undesirable. 'The Lord helps him who helps himself.'

That society should not coddle the man who does not work hard and save, for if a man does not 'get on' it is his own fault.

That 'the strongest and best should survive, for that is the law of nature, after all.'

That economic conditions are the result of a natural order which cannot be changed by man-made laws.

That every man for himself is the right and necessary law of the business world, 'tempered, of course, with judgment and fair dealing.'

That competition is what makes progress and has made the United States great.

That ordinarily any man willing to work can get a job.

That 'any man who is willing to work hard and to be thrifty and improve his spare time can get to the top. That's the American way, and it's as true as it ever was.'

That the captains of industry are social benefactors because they create employment. 'Where'd all our jobs be if it wasn't for them?'

That capital is simply the accumulated savings of these people with foresight.

That if you 'make it too easy' for the unemployed and people like that they will impose on you.

That because of 'poor, weak human nature' there will always be some people too lazy to work, too spendthrift to save, too short-sighted to plan. 'Doesn't the Bible prove this when it says, "The poor ye have always with you?"'

That idleness and thriftlessness are only encouraged by making charity too easy." [17]

This credo is a crude mixture of "social Darwinism," the spirit of the frontier, late and decadent Calvinism and, as we shall see, of David Ricardo's thought. It is significant that this "Middletown spirit" persisted, despite the depression, into the mid-thirties.

The "Middletown" credo has been supplemented currently by the "Gospel of Production" which is the going slogan on innumerable transit ads and propaganda organs. The World War II period, it is said, witnessed the "miracle of production." But this gospel, like every pragmatic, expedient, or instrumentalist philosophy taken by itself fails to answer the question: production for *what*? Certainly, the sign boards do not say with the Calvinist, "for the glory of God." They do not say "for the deepening of human life" or "for the realization of a barrierless and cooperative community." The new gospel utters only the materialistic sounds of the impersonal machine which produces it, viz., material standards of living for those who can afford to buy.

There is a disguised gospel behind the gospel of production and that is the gospel of power. Power, production and profits were once the united voice of a single class of men in the economic order, but now power is the prerogative also of organized labor, of farmers, and of government. Power expressed by either group may further production or may curtail it. Power is self and group corrupting unless justly structured, and hence it constitutes perhaps the crucial practical challenge of the social order. Where power, production and profits are united in monopoly, economic well-being is seriously threatened.

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[17] Robert S. Lynd and Helen M. Lynd, *Middletown in Transition* (New York: Harcourt, Brace and Co., 1937), pp. 406 ff.

Thus, power and production, like freedom and order, may be polar opposites, sometimes depending on each other, sometimes reinforcing each other. The stress on power at the expense of production may be very serious as the Russians learned after the Revolution of 1917. Production can be a real incentive if the people see in it the means to a community life which is really satisfying. But production as a gospel adds nothing creatively ideal to the credo of work and profits which the Lynds found in Middletown and which is quite typical of American life as a whole.[18]

How this credo expressed itself in the basic assumptions of management until very recently can be seen in the work we alluded to in our second chapter by Elton Mayo, *The Social Problems of an Industrial Civilization.* It was the intellectual, moral, psychological, social and practical bankruptcy of these assumptions which Mayo demonstrated in his clinical industrial studies and experiments. These assumptions may be viewed as the secularized end-point of that development of business philosophy which emerged prior to the Reformation and which, modified to some extent by Christianity, stands as perhaps the chief barrier to an adequate religious philosophy of vocation even today. These assumptions perpetuate the limiting concepts of David Ricardo: "1. Natural Society consists of a horde of unorganized individuals. 2. Every individual acts in a manner calculated to secure his self-preservation or self-interest. 3. Every person thinks logically, to the best of his ability, in the service of this aim." We have already seen how these perspectives need to be rethought in terms of the principles of personality, community and ultimate meaning so far as work and the worker are concerned. It is necessary to rethink the person and role of the owner and management in the same way. He who has traditionally been conceived as *homo oeconomicus* and dedicated by nature to the pursuit of profit now emerges as a person called to fulfill the intention of the Kingdom of God through his capacity as leader in the creation of a responsible community. The extent to which these assumptions still dominate measures the denial of the values upon which an experimental approach to a better society is based. These assumptions have the power to paralyze the motives which are needed. And yet, anyone who underestimates the tenacity of the secular credo of work and wealth is bound to be frustrated should he look for an easy conversion of the national character.

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[18] See C. Kluckhohn, *Mirror for Man.*

II.

THE PROFIT MOTIVE VERSUS THE PROFIT INCENTIVE

There is a familiar stereotype of a donkey hitched to a cart, a carrot dangling from a stick about six inches beyond the reach of his nose. This carrot in the form of the so-called "profit motive" is supposed to be what keeps the hard working donkey stimulated to do his best. With so much argumentation about the profit motive, a few definitions and distinctions may be of help. Let us begin with profit.

Profit is a term sometimes loosely used to mean both the amounts received by those who supply the capital of industry and the amounts received by those who manage or take the risks of business. Profit is sometimes defined as the wages of management. Sometimes it means payment for taking the risks, inasmuch as there must be some gains to compensate for the losses which occur. Profit sometimes is used in so general a way as to include any desire to improve one's economic positions in business whether as a wage earner, as a manager or as an owner. Profit more narrowly construed sometimes refers to the residual amounts which accrue to owners or managers after wages, interest or rent have been paid out to the workers and to the owners of capital and land. This residual payment is thus called "pure" profit. Most of these uses of the term are hardly distinguishable from general economic rewards. In a money economy most economic acts are bound to be associated with the receipt of some income for services rendered or goods exchanged or labor expended. It is best to use the term in the following restricted sense: Profit "may be defined as the surplus remaining after all the costs of running a business, including the wages of management and labor, allowances for depreciation, interest on capital borrowed, etc., have been met."[1] Current discussions of profit also distinguish profits *before* and *after* taxes. In this definition other charges could, of course, be specified such as the important charge for the use of tools. The essential point to stress is "the surplus remaining." "It is the effort to secure a part or all of this surplus, aside from compensation for work done, that constitutes the pursuit of profit, in the strict sense of that term."[2]

Since we are dealing with the problem of management as a religious vocation and hence with the motives of leaders in business enterprise a number of questions must be raised for further clarification. Is there a profit-motive (in the restricted sense of profit) basic in man? If not, may profit be rather an incentive, thus requiring us to distinguish motive and incentive? What non-profit incentives may be at work in business leadership? Among the non-profit incentives what important non-pecuniary motives and incentives should be noted? How do the economic incentives relate to such other drives as are reflected in the terms self-interest, selfishness, self-hood and self-actualization? Finally, what is the purpose of so much emphasis on non-profit incentives? Do we mean to seek to replace the private-enterprise system, or to supplement it with cooperative or public activities, or to mitigate its severities with humaneness? Have the various motives or incentives any moral priority with respect to each other?

The hope for profits in the experience of owner-managers has historically been an important factor in business and industrial activities, among great leaders and small. It is easy, however, to overestimate the role of profits and to confuse them with a melange of many other incentives in personal and group life.

The term profit-motive is ambiguous since it seems to refer to a basic drive as well as to a specific incentive. For the purposes of our discussion we may refer to motives as basic drives and incentives as specific or particular inducements. Motives would be alike in all persons in all cultures. Incentives would vary with the cultural emphases of different groups and with the same culture at different historical epochs. Love, revenge, pride, or display would be motives; a wage increase, the prospect of a long vacation, and the offer of a position of influence in a company would be incentives. It is doubtful whether profit in the restricted sense suggested above is a motive; it is undoubtedly an actual incentive in the economic order of a very powerful sort. Indeed, an incentive may call forth the expression of powerful motives or drives in man.

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[1] "Christianity and the Economic Order: Study No. 4, Non-Profit Incentives in Our Economic Life." *Information Service* 25 (No. 38, pt. 2, Nov. 23, 1946).

[2] Ibid.

The term motive, then, is sometimes used to signify a kind of psychic pressure in some direction without special training or cultural conditioning. In this sense it does not depend on any rational calculation, consideration, or forethought. Motive in this general sense is to be distinguished from some end-in-view, some factor that awakens desire, some "pull from the front." The term incentive, on the other hand, may be used to distinguish the consciously directed or redirected and canalized drives. Cultural influences work upon the primitive drives. Valuations modify and structure the expressions of motives when incentives are introduced. Motives are limited in number, incentives are multitudinous. Through enculturation the same motives may be canalized toward the most diverse ends-in-view. An incentive is thus a motive with a particular valuation. As we shall see the so-called "profit-motive" is not a general drive but a particular valuational goal-striving, an incentive.[3] An incentive is a challenge to purposive activity. It is understandable only in the light of some cultural situation.

A large number of persons engaged in the capitalist economy have no profit-incentive, not to mention profit-motive. Indeed, many workers, who by definition participate in wages and not in profits, resist measures like the "speed-up" because they feel that only the owner or manager benefit from them. The only contact which most workers have with profits is to read about them in the newspapers.

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[3] See G. A. Coe, *The Motives of Men*, pp. 143-145; also, Chapter 15, "The Mixed Motives of Business." See Wayland Vaughan, *General Psychology* (New York: Doubleday, 1939), Chapter 6, "Human Urges and Motivation."

In this context they serve as the incentive to arouse a sense of injustice or resentment or covetousness. If profit were the only economic incentive or the indispensable one for keeping industry going, it would have stopped long ago. Even the managers of great corporations do not, in many cases, participate in profits, being themselves salaried workers.

What functions, then, does the profit incentive perform? Is it to find persons who will contribute capital? Historically many persons have been led to do so. Yet in many corporations less and less capital is needed from the sale of securities because more and more of the funds are derived from internal sources. The proportion, of course, varies somewhat from year to year. In 1951 *Fortune* pointed out how instructive the history of great corporations in the United States is on this point. As far back as the 1920's, corporations were putting up to ten times as much money into their reserves as all companies were raising in new stocks and bonds. In 1950 industry was plowing back 60% of its profits as against 30% in the 1920's, the bulk of the money used in capital formation coming from corporate earnings or from internal sources such as depreciation.[4] In 1951 the percentage had dropped to about 50%.

Incentives are an important aspect of any social institution as well as motives are. Many business men report that incentive systems of one kind or another are normal practices in relation to the rank and file worker. In some cases up to 80 per cent of the workers are found working under some form of incentive system.

The arguments for the "profit-motive" are frequently associated with the question of self-interest and selfishness, even greed. We shall see presently that considerable attention is being given today to the non-pecuniary aspects of industrial motivation, tending to show that selfishness is not the primary ethical basis of management's drives. Nevertheless, a man like Ralph Hendershot argues bluntly as financial editor of the *New York World-Telegram*:[5] "the so-called capitalistic or free-enterprise system appeals to one of the most universal characteristics of man, which is selfishness . . . gross as it may seem, selfishness is the hub around which the wheel of our economy and the American way of life revolves." This is why it has "worked so well." Ethics in business, he argues, develops when managements discover that a degree of benevolence actually furthers selfish interests, which then becomes "intelligent self-interest." There can be no doubt that selfishness in the psychological and ethical sense of that term has operated with little restraint in American economic life. In the post-World War II inflation its devastating marks are everywhere. But it is important to note that the drive for self-actualization in man, which reaches out for complete personhood and for communitarian satisfaction, is not to be identified with unethical selfishness. Self-respect, love of the self in the sense of having a due regard of one's worth, is not incompatible with altruism and responsible community realization. The "economic man" wrapped up in the cocoon of his own selfishness is a caricature of actual man whether as owner, manager or worker. As a cultural type the self-interested profit seeker who is absorbed in the gospel of work and wealth is a distortion of man as God intended him. He is rare, though we may note in passing that the Benjamin Franklin Clinic of the Pennsylvania Hospital in Philadelphia has reported that the enslavement to work was at the base of the physical and mental disturbances of two-thousand "tired business men." [6]

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[4] *Fortune,* January, 1951, "The Transformation of American Capitalism."

[5] Jan. 28, 1947. See *Information Service* for Feb. 8, 1947.

III.

NON-PECUNIARY AND NON-PROFIT INCENTIVES IN ECONOMIC LEADERSHIP

In 1946 the Federal Council of Churches Department of Research and Education presented a study of "Non-Profit Incentives in Our Economic Life" which is very instructive.[1] This study did not sharply distinguish non-pecuniary and non-profit incentives, nor motives and incentives. The more specifically profit is limited in its denotation the more needful it is to distinguish a wide range of elements in the class of non-profit incentives. Yet, the study is the forerunner of research still in process and from which much may be learned regarding incentives among leaders on the various levels of economic life.

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[6] See "God and Our Daily Work," *Social Action* (Dec. 15, 1949), p. 5.

[1] *Information Service* (Saturday, Nov. 23, 1946).

Among the non-profit incentives we may note: (1) the desire to keep the firm solvent; (2) the desire for security; (3) a desire for prestige and power; (4) the desire for self-expression; (5) enjoyment in the competitive game; and (6) the desire for good-will. Some of these are broad enough to be classified as general motives; others are distinctly incentives operative in a particular historical epoch and hence datable. In any event, they reveal that motivation in business and industry, as in all other activity, is extremely complex. Perhaps no one has catalogued the motivations at work in the business man or industrialist more strikingly than George Albert Coe: "In one and the same act several of the following phases of his mental dynamics always can be detected: family affection, family pride, and anxiety concerning security and social standing; desire for recognition in the business world; the nursing of self-conceit; loyalty to a partner; pugnacity towards a rival; enjoyment of power; the exhilaration of a game; the thrill of originality; pride of workmanship; the glow of self-identification with an institution, enterprise or cause; the taking of a customer's interest as one's own; the feeling of responsibility for the welfare of employees; devotion to country. In this complex there is an implication, however obscure, of the value of oneself, of the members of one's family, and of sundry other persons. There is endeavor to be a man among men. There is, then, in the motivation of the capitalist economy a social factor of which not the faintest shadow appears in the ledger of any business concern." [2]

The real challenge confronting the future of management is what kind of economic order and general cultural whole will evoke from leaders the deepest motives and which will cause both management and the laboring associates to interact as whole persons, create community and have a sense of these as ultimately and religiously meaningful. The significance of an analysis such as that outlined above is that it shows how rich actually is the functioning of human nature in a field that has supposedly been erected on a single unchangeable incentive. The further one pursues social research either into the lives of workers, their associations, and informal groups and into management whether owner-management or salaried, the more one is aware that the problem is that of a whole culture and its dominant historical purposes. The so-called profit-motive is an incentive which is culturally induced. It is not primal human nature. Where so many aspects of human nature are brought into play to serve limited goals, the possibility presents itself that with proper social engineering and education a more nearly Christian and objectively humane society may be established. This is the hope that is strengthened as one pursues an analysis of motivation and incentives among administrators of large corporations, the lesser bureaucrats of business, of leaders in cooperatives, public administrators, inventors, scientists and the like.

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[2] *The World Tomorrow,* April 12, 1933. Cf. F. W. Taussig, *Principles of Economics,* V, II, pp. 167-170, quoted in *Information Service* for Nov. 23, 1946. See also Harry F. Laidler, "Incentives under Capitalism and Socialism" and G. A. Coe, *The Motives of Men,* pp. 120-128. M. J. Herskovits comments on the great diversity of drives in trade and their relation to tradition in *Economic Anthropology,* p. 206.

We begin with the administrators of corporations for, by and large, the one-man business has given way to the corporation. In manufacturing, corporations employ over 90 per cent of the wage-earners and turn out more than nine-tenths of the product. In finance, trade, public utilities, and mining, the corporation occupies a major part of the field. In 1942, 205 giant corporations in manufacturing, one-fifth of 1 per cent of the total, owned about one-half of all manufacturing assets. Only in agriculture, construction, and the service industries and in the professions, does the old type of unincorporated business enterprise predominate. We shall have more to say about the concentration of power and its problems below. Suffice it to say that the corporation developed partly as a device to mobilize the capital funds of large numbers of people in the financing of industrial concerns, a strategy no longer absolutely necessary in the larger firms, and partly as a device to limit the liability of owners for debt incurred by the business.

In the modern large corporation, management runs the business, with the advice of the directors, the owners do not. Berle and Means[3] point out that these officers and directors may or may not have any considerable share in the ownership of the corporation. According to their study, 65 per cent of the two hundred largest non-financial corporations and 80 per cent of their combined wealth are controlled either by management or by a legal device involving a small proportion of ownership; and that only 11 per cent of the companies and 6 per cent of their wealth are controlled by a group of individuals owning half or more of the stock interest outstanding. The managers of the modern corporation in increasing numbers depend upon a salary for services rendered as their main money reward. They are expected, of course, to make money, i.e., profits, for the stockholders. Some own stock. Others own stock and also get a bonus in addition to salary. Bonuses sometimes total to upwards of $1,000,000. When Charles E. Wilson, president of General Motors Corporation, was announced as Eisenhower's choice for Secretary of Defense, *Time* reported that in 1951 his salary and bonus before taxes was $566,200. Obviously, when the salaries and bonuses are very large they are far more than a wage of management. They are really part of the profits of the business. Sometimes managers have gained considerable sums of money through their inside knowledge of business developments, through financial interests in firms supplying materials to their companies, through commissions, real estate or other ventures. Good managers undoubtedly like to make money for the company. Yet they must conduct the affairs of business in such a way as to "maintain an equitable and working balance among the claims of the various directly interested groups."

More and more, it is safe to say, corporation owners must depend on non-profit and non-pecuniary incentives to spur their executives to do good work. Such include a desire to hold one's job; a feeling of satisfaction in a job well done; growing prestige and power in the business and professional world and in the community-at-large; reputation as a manager; the desire to win in a battle of wits with competitive companies; the approbation of those higher up; and group, company and national loyalty. There are ample personal testimonies for all these elements in leadership. Attention paid to these must not discount the profit which the owners expect. To speak as some do of the corporation as a nonprofit institution is naive. The manager, however, is likely to take an engineering point of view and in recent years this has included some social engineering. Oftentimes his interests as an engineer are frustrated or sabotaged by the financier in search of speculative profits. Management is becoming a profession and in so doing is developing a sense of responsibility to society as a whole in an increasing number of its members.

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[3] A. A. Berle, and G. C. Means, *The Modern Corporation and Private Property*, pp. 94, 104, quoted in *Information Service*, Nov. 23, 1946.

When one inspects the role of management on the lower levels the profit incentive becomes negligible as the driving force. The emoluments are almost entirely in terms of salary. The other psychological and social factors are similar to those of top management. We noted in the previous chapter that modern management is challenged to take a human relations point of view with respect to the other employees because that is soundest from every relevant angle, economic as well as social.

In the field of the administering of cooperatives we have the significant example of large business often very well handled with no profit-incentive. J. T. Mitchell was for many years chairman of the board of directors of the English Cooperative Wholesale with its $100,000,000 turnover, yet over a long period he received about $2,000 a year. When asked what stimulated him to do his best, he replied: "I enjoy the respect of my colleagues. I possess great power. I have a great faith in the cooperative ideal. These things satisfy me." In discussing what keeps the moderately paid executives in the cooperative movement when similar positions in private industry bring much higher remuneration, Sidney and Beatrice Webb noted that it was "to some extent a greater security of tenure and freedom from 'worry' than in competitive business, but even more the attractiveness of comradeship in a great popular organization; the consideration that they enjoy as the public administrators and leaders of a widespread democracy; and the consciousness of social service."[4] The role of idealistic, democratic, moral and religious education in the cooperative movement has been a conspicuous aspect of its development.[5]

Public administration in America has suffered because government has not given sufficient attention to the development of adequate administrators. And yet, there have been outstanding examples of men adequately motivated for public service without any prospect of business profit. George W. Goethals, builder of the Panama Canal, showed rare enterprise, initiative and competence in the construction of that vast project. His testimony on his ability to obtain engineers for this public service is instructive: "At no time during its progress after I took charge was there any difficulty in securing competent and experienced men for the various occupations, though it must be admitted that they were not always appointed. . . . The team work and the *esprit de corps* developed in the organization have never been surpassed."[6] In the building of Boulder Dam, Grand Coulee Dam and the administration of the Tennessee Valley Authority we note essentially profit-free incentives. Herman Finer made a study of the TVA for the International Labor Office and commented as follows: "The TVA's methods and experience hitherto seem to be a fully satisfactory answer to the question whether public enterprise can attract to, and retain in its service, men and women who will continuously work with devotion and initiative. If men are given work, scientific or organizing, in office laboratory or field, with a demonstrably high social value; if the work has meaning for them, and if there is security for the continuance of the service and the livelihood it provides, then they may be expected to serve with high, sustained, and ever developing efficiency free from undue envy and acquisitiveness."[7]

We have found a variety of motives and incentives in owner-managers, private executives, cooperatives' heads, lesser administrators and public administrators. Let us look briefly at the drives in inventors and scientists. The mainspring for activity among these persons is clearly not the profit incentive. Many inventors experimented at their own expense or at the expense of friends, often dying in poverty. John Fitch, inventor of the steamship; Charles Goodyear, discoverer of the vulcanizing process; Tom Davenport, builder of electrical motors; Richard Trevithick, a rival of Watts in developing the steam engine; James Paige, inventor of the Paige compositor; and Christopher L. Sholes, originator of the typewriter are a few of many Americans who discovered processes of great value but who died practically penniless.[8] It would be going too far to insist that the idea of money-making never enters into invention, but the creative urge is the chief need seeking satisfaction. Such is the fact in the case of Alexander Graham Bell, inventor of the telephone. When Sholes had completed the typewriter he exclaimed, "The machine is done, and I want some more worlds to conquer. Life will be flat, stale, and unprofitable without something to invent." Such also is the story of Michael Faraday who decided for science and against a business fortune. Personal honors meant little to him, since he declined the offer of knighthood on the ground that such honors depress rather than exalt the scientist, "for they tend to lower the especial distinction of mind to the commonplaces of society."

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[4] *The Consumer's Cooperative Movement,* p. 16 quoted in *Information Service,* Nov. 23, 1946. See also Charles Gide, *Consumers' Cooperative Societies* and James P. Warbasse, *Cooperative Democracy.*

[5] Benson Y. Landis, *A Cooperative Economy,* pp. 157 ff.

[6] Charles and William Beard, *The American Leviathan,* p. 379.

[7] *The TVA—Lessons for International Application,* p. 144.

Today the inventor and the scientist have the status more and more of salaried workers in the research laboratories of corporations. Corporation executives frequently comb the colleges for promising research men, train them further for staff assignments, give them a salary and put them to work on problems to be solved. The salaried worker may make an important invention, receive a promotion and recognition in his profession and by the public, but hardly profits, for these generally go to the corporation for distribution.

Colleges and universities have become centers of extensive research laboratories engaged in scientific discovery and technological invention. Many inventors in these laboratories have refused to obtain profit from their work. At the University of Wisconsin, Dr. Harry Steenbock discovered "Vitamin D." A rolled oats company offered him $2,000,000 for his discovery. He refused the offer and transferred his rights to the University of Wisconsin. "Men's ambitions," said Dr. Steenbock, "are either to make money or to do something for humanity. Mine is not concerned with money. I want to be the best food chemist in the world and I have only begun. If I took that money my life purpose would be perverted."[9] As a sequel to this action the Wisconsin Alumni Research Foundation was organized as the holder of the patent for this vitamin. Royalties are used to provide fellowships for young scientists and to finance promising work in various scientific fields at the University. Other universities that have accumulated patents include Purdue, Cornell, California and Toronto.

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[8] *Information Service,* Nov. 23, 1946. See W. Kaempffert, *Modern Wonder Workers,* F. W. Taussig, *Inventors and Money Makers,* and John A. Hobson, *Work and Wealth.*

Scientists have also increasingly been attracted to governmental fields and institutions such as in the National Bureau of Standards and in the Department of Agriculture. During World War II the United States Government, through the Office of Scientific Research and Discovery (OSRD) mobilized some 15,000 scientists to work on a great number of projects. It was under public auspices and supervision that the work on atomic fission was consummated.

IV.

THE CASE OF THE CLASS OF 1949

From the above analysis it becomes clear (1) that American capitalism has been undergoing a considerable shift in the character and quality of its leadership; (2) that though devoted to moneymaking as a whole, its personnel have increasingly and largely placed other than profit incentives at the center of their attention; (3) that "profit" in the technically limited sense is not a basic human drive; (4) that the motives and non-pecuniary incentives actually at work in management, invention, science, and labor of all types are available for responsible participation in other than a "profit" economy; and (5) therefore that the changing economic order could definitely become, if it were sufficiently challenged and committed to a philosophy of responsibility, the kind of society which finds its ultimate meaning in respect for personality and its actualization in community.

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[9] Ibid.

Indeed, what the nation's economy seems to be awaiting is the kind of religious vocation among the leaders which will make economic responsibility its aim. The deeper understanding of what workers need, the social engineering tendencies of managers, the creative urges of scientists and inventors, and the growing field of administrative competence in cooperative and public enterprise—all point to the new world which is waiting to be born.

But we must not anticipate too much—or seem too easily to have reached our goal. We must face the realistic problems of power, among which the group conflicts of power are increasingly important. For democracy is under pressure from great power groups and these include not only big business, but big labor, big farmers, and big government. Stuart Chase and Professor Clair Wilcox have argued impressively that the so-called class struggle in America is no longer a struggle of the proletariat and the bourgeoisie, but a struggle among functional groups possessing concentrated power—a struggle to control the products of industry. In other words, economic power refers to the ability to decide who makes what and who gets what and in what proportions. Business primarily no longer decides this, but the decision is divided. The division of decision has not yet added up to responsibility.

We shall limit ourselves for the present, however, with the role of management and big business. Its future depends a good deal on the perspectives of the men who enter it for careers. Perhaps no greater indication of the character of the change in this segment of the economy can be had than the point of view of what *Fortune*[1] magazine found in the class of 1949. *Fortune* surveyed the graduates of that class and found only 2 per cent of the seniors had any intention of going into business for themselves. Many "shy away from any line of work that, because of its demand for the entrepreneurial spirit, is generally associated with coronary thrombosis or high blood pressure. The student often moralizes his distaste for economic battle; his 'heel quotient,' he explains, simply isn't big enough."

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[1] "The Class of '49," *Fortune,* 39 (June, 1949), pp. 84-87.

The impression given is that college graduates are not taking any chances. They know more about what they do not want than about what they want. Security, freedom from risk, seems to be the order of the day for men "somehow curiously old before their time." Security for the 1949 class seemed bound up not so much with money as with people. It meant working *for* people in the sense of service, of justifying one's place in the community. Also it meant working for somebody else—somebody big preferably. "I never saw a bunch that so wanted to make this free-enterprise system work," says a professor of business administration, "but they are interested in the system rather than the individual enterprise. They will be technicians—not owners." They seem, for example, to be saying: "I know A.T.&T. might not be very exciting, but there'll always be an A.T.&T."

Little was said by the class about salary. One interviewer did not hear it mentioned in three hundred interviews. The seniors were articulate about the Good Life, however, having sensed that money is not all that counts. Men out of service did not reject the patterns of authority and did not fear being part of a large company. They preferred big business partly because these companies break the men in easily, have training classes, and permit a period for making up one's mind about one's final role. Of course, big concerns go after the seniors more than smaller firms do. The top 10 per cent, including many campus leaders, are signed up almost automatically to go from a college of commerce to a big company. Corporations, like General Electric, stress low executive turn-over, liberal pension and annuity plans, and opportunities for family life—no visions of early-to-bed and early-to-rise. *Fortune* comments, moreover, that the "shy" type who would do best in small business still want to be part of a big company. The "aggressive" type who would not get lost in a big business are the ones who are attracted to smaller business.

The significance of the class of 1949 for the future of American business is reflected also in the declining passion for merchandising and insurance salesmanship and the growing interest in personnel work. Human relations in industry, sometimes called "Service without tears," holds many attractions. What is desired is "service to others." "More extroverted than his predecessors, the average '49er has a highly developed sense of community; he is fascinated by human relationships, and the place of the individual in the group. He will tend, accordingly, to lubricate rather than to build, and thus to evaluate success less on the basis of concrete achievement than on services performed. To what extent is this a rationalization? Pure service? Certainly not, when only 2 per cent of the class expressed interest in the ministry. It may be service; but it is not unmixed, not selfless."

With industry wanting more and more well-rounded men, the above picture is significant, as it is also for the questions we have implied and raised about mobilizing motives and incentives for a responsible society. From the standpoint of business aggressiveness which is still desired by these great companies, however, the question which *Fortune* raises is important as it is to us, but for an opposite reason: "Will this community-conscious group furnish any quota of free-swinging s.o.b.'s we seem to need for leavening the economy? Or will it be so intent on achieving super-lubricated, integrated private enterprise—a sort of socialization by big business instead of government—that it will prefer a static, and thus more manageable economy to a dynamic one?"

V.

MANAGEMENT AS RELIGIOUS VOCATION—EDUCATION

Apparently college graduates are prepared to respond to a gospel of service. Carnegie preached a doctrine of earned trusteeship. Certainly many colleges of commerce have adopted this as the social philosophy of their profession. On the whole, however, writes Robert D. Calkins, "we find ourselves still unprepared, on any adequate scale, to train leaders who are competent to direct the increasingly complicated affairs of the system we have erected." [1] To do this, he argues, it is necessary to develop truly professional schools of administration intent not on preparing men for business alone, but for the management of economic affairs through whatever agencies their affairs are to be conducted. This means that governmental agencies and labor unions and all the institutions through which economic affairs are conducted must be wisely managed. The leaders for these positions should be trained not in isolation from each other but together. It may even be that persons in their professional careers would switch from administrative posts in labor and government to business or the reverse as they were needed and called. What is needed are men trained comprehensively enough to direct economic affairs and simultaneously constituted to the mastery of the pervasive problems of modern industrial life in all aspects of social life.

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[1] Robert D. Calkins, "Aims of Business Education," in *Education for Professional Responsibility*, p. 47.

Calkins is here on a sound line. Either man will learn to guide the order through the present struggle to something truly humane or they will continue to be victims of the society they presume to lead. They cannot do better than to struggle "to convert the free economy from something that responds mainly to its own unplanned tendencies, into something animated by purposes: purposes into which its members can and do enter."[2] Herein is a conflict which must be faced, "the conflict of humane goal and selfish means" which is the major incongruity of the capitalist economy. The goals which men want are a mixture of economic and humane goals, for the means are, as Dewey said, ends in view. Men want production of goods; they wish them well-distributed; they wish security; they wish greater equality, especially equal opportunity; they wish human rights, justice, jobs and freedoms of various kinds. Where such a variety of goals must simultaneously be achieved, it is imperative that an integral philosophy of society be lockstitched into the education of economic leaders for all agencies affected. Business has become a comprehensive social function whose leadership requires a commensurate education.

We do not know whether the future will give us a predominantly unplanned, well-planned, collectivized or mixed economy, or whether it will become a military dictatorship; but assuming that the American people will in the immediate future hold for an optimum of voluntary association we may well note again the educational conception of Robert Calkins: "We recognize that in a voluntary system of coordinated specialists the well-being of the people depends not alone on the skills of any one group, but on the skills of all and the voluntary cooperation of all. And increasingly we recognize that those who direct the operating units in economic life hold positions of key importance, that they are performing an essential service of benefit to all, and that their competence to manage economic affairs is a matter of great social concern. We can discern that in the future the need for great administrative skill is destined to increase rather than diminish. . . . The problem before us is not so much the problem of preserving the existing system, as it is the problem of demonstrating our capacity to operate the system and to perfect it for the maximum good of all the people. In this way we may prove its efficacy and demonstrate its capacity to survive."[3]

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[2] John M. Clark, *Guideposts in a Time of Change*, p. 53.

This brings us once more to the point of facing the general vocation of management: the finding of religious significance and ultimate meaning in administering the economic institutions with a view to conserving the values of personality and community. We have seen that the churches have all too readily placed a moral sanction on the competitive profit and power struggle. On the other hand, the teachings of Christianity are in conflict with the emphases on ruthless competition, acquisition and material success. This has meant in practice much lip service to spiritual values and faith in material possessions. Are Christianity and competitive capitalism compatible? Can mutuality and cooperativeness become the spirit of enterprise in the economic sphere?

These traits of mutuality and cooperativeness are basic in man's nature and seek actualization. It may well be that his combativeness and competitiveness arise primarily from the frustration of his need to cooperate.[4] If irresponsible adventurers and cynical and complacent men have been permitted to dominate society by their self-interest, it depends on men of understanding and humility, guided by love, to enter the power struggle with new goals and with means compatible with those ends. If we believe that man is more basically cooperative than he is competitive, as science and social experience seem to confirm, then that fact ought to inspire us with faith that practical realism is on the side of mutuality. "Cooperation," says A. E. Emerson, biologist, "has been a more important evolutionary force in the development of man than has the bitter competitive struggle for existence." [5] Our analysis recognizes how static religion tends to confirm the *status quo,* whatever that is, but it also shows that prophetic religion uniting social justice and Christian love is coherent with the most scientific approach to human relations. Men need religious help to be freed from the "debasing enslavement to the principles and practices of an acquisitive society." Unless Western man is able to be released from the enslavement he is doomed. This religious issue is thus critically imperative.

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[3] Robert D. Calkins, op. cit., pp. 50 f.

[4] Ashley Montagu, *On Being Human,* p. 101.

The eminent anthropologist, Ashley Montagu, has an encouraging word for us in this field: "The motives of human beings everywhere are human, *not* economic. They are made to become economic only in societies in which moneytheism is the prevailing religion. If, then, we would establish a world of humanity, we must educate human motivations in terms of humanity and not of economics. We must remove economics as the dominant motive from human relations and make human relations the dominant motive in economics." [6]

We must choose the direction we wish to go if we are to arrive, and the means also, having a sense of religious vocation in our social choice. Prophetic religion conceives of vocation as culture transforming. The Christian way is also the way of actualization of human nature as the Creator intended it, educated in the skills of responsible love. Culture needs constantly to be remade in response to the transcendent demands of God's justice and the immanent laws of personal and community fulfilment. This way is in conflict with the old predatory order. But this fact is not the whole point. The frustrations and animosities of the present order arise because of the internal dilemmas in men and groups which are caused by the violation of man's essential nature. Man does not stand alone physiologically, psychologically or socially and he can have real wholeness only in loving and cooperating with his fellowmen. Indeed, these traits express themselves in part despite the handicaps of the present economy as we have seen. The more humane it becomes, the more these traits make for the cohesion of society. On the other hand, the more basic human needs are denied the greater is the frustration, the aggressiveness and the general expression of anxiety and insecurity. Those thinkers are surely mistaken who hold with Niebuhr that anxiety is the ground of creativity in man. Indeed, insecurity has always been a chief deadener of economic enterprise.[7] Niebuhr is on sounder ground when he recognizes anxiety as the source of temptation to sensuality and pride. Creativity is nurtured in the matrix of need, justice and love.

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[5] Address before American Association for the Advancement of Science, 1941.

[6] Ibid., pp. 114-115.

As we face the prospect of a responsible society we confront once again, as we did at the conclusion of the previous discussion, the great problem of power organization in contemporary culture. The promised land cannot be reached without traversing the wilderness of the power struggle. Two of the giants in this field are the corporations and the unions. What has their experience in collective bargaining taught them about industrial peace and the responsible use of power? Is collective bargaining a chief element in a responsible economic society? What case studies have been made which give constructive guidance to collective bargaining? Or does it have inherent limitations? Must the Christian seek the practical solution of the use of economic power in some mixed economy or does the suggestion of democratic socialism embody for the immediate future the best that can be achieved? Do workers fulfill their Christian vocation in trade unions or must the unions and the workers assume roles of power in functions which today management has kept to itself? We turn to these issues in our two next discussions.

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[7] K. Page (ed.), *A New Economic Order*, p. 348.

CHAPTER IV

ETHICAL FUNCTIONS OF COLLECTIVE BARGAINING

I.

TRADE UNIONISM AND ITS FUNCTIONS

The community principle is written into personality and its vocational expression. In factories the team, whether formally organized or informally created, substitutes frequently for the loss of the neighborhood in large urban centers. Human nature seems to be at its best in small groups. But workers require not only the face-to-face relationships of a team or crew; they develop trade unions, which are associations of men joined together for the purpose of realizing certain great interests. The range of the values for which they are associated varies greatly from union to union, but on the whole these values, until recently, can be summarized under the term "business unionism." Business unionism is a characteristically American institution differing among other things from European unionism by its greater lack of political realism and reforming zeal.

Voluntary association is a basic Anglo-Saxon conception. Indeed, the right to voluntary association is a cherished claim in almost every field of Western culture: religious, political, economic, artistic and intellectual. Christian ethics and the familial nature of man require freedom of association. Since man is created for community and since responsibility is ethically meaningful only when freely acknowledged, the conception of voluntary association is basic to our whole enquiry. Freedom of corporate worship or of religious assembly is basic, from a Christian point of view, to all other types of association beyond the family unit. Religion being our highest expression of community, since it is the intimate fellowship of brotherly and divine love, has a concern for the principle of association. The goals around which association is polarized and the quality of the participation in association must be judged in the light of their contribution to a community of intelligent love.

The principle of voluntary association expresses itself defensively on the part of both management and labor in the way they approach the role of government in economic affairs. At various stages of their development, both groups have profited greatly from the assistance of government but both are suspicious of interference by government. The complex relations of each to the state cannot here be expounded, but in the epochs of their strength they do not wish the government to "solve their problems for them." They argue that in a free society private groups can fail to settle their problems in direct relationships only at the peril of their independent existence. Continued unsettled social and economic problems eventually find their way into the halls of Congress. When Congress assumes final responsibility, private groups, it is held, forfeit certain freedoms and power. Thus both these groups tend to hold that governmental action in the field of social and economic matters should be that of assisting private groups in our economy toward a final solution,[1] but not that of intervention with a view to substituting public for private control of economic processes.

The philosophy of non-intervention by government is not strictly adhered to by either management or labor. Expediency and power considerations play important roles. Management turns readily to government for injunctions against unions. It supports legislation which seeks to curb the power of unions or to make them more "responsible." Labor supports the seizure of industry when collective bargaining seems to have failed. Both are so invested with the public interest that they have provoked increasingly the participation of government in arriving at terms of industrial peace. And yet, neither has developed a philosophy which corresponds to the stage of industrial development at which the domestic and world economy has arrived. This problem will be noted more fully below.

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[1] Clinton S. Golden and Harold J. Ruttenberg, *The Dynamics of Industrial Democracy*, p. 38.

Men join trade unions for many reasons that are overlooked by those who approach the situation from a narrow economic perspective. The rights of workers to join associations of their own choosing is a much deeper issue of personality-in-community than can be measured by economics. Unions attract workers because they give "John Doe a face and a name." Here also are satisfied in part the needs of freedom of action, self-expression, and creative outlet. Here are found group activities which enhance a feeling of power, of adequacy, of solidarity, of community significance and of welfare and service.[2] Men wish to work out their destinies in freedom, though they may not have a clear understanding of its meaning.

Satisfying a wide range of human needs, unions have become a powerful force in American life. The actual and potential power of the unions has not and probably cannot be measured. At the beginning of the Roosevelt administration organized labor numbered about three-and-a-half million members. In 1937 this number had climbed to almost seven-and-a-half million. It was at this time that the CIO successfully entered the mass production industries such as steel, automobile, rubber and electric products. During World War II there was a tremendous development in union activity and participation in various forms of cooperation with government and management in production. Labor union membership passed the fourteen million mark, about seven million belonging to AFL unions, about five million to CIO unions and one and three-quarters millions to international unions not affiliated with either the CIO or the AFL. The significance of the strategic power of unions can be partly grasped from the fact that while they totaled less than half the wage earners of the nation, almost all the workers in some trades and industries were organized, so that they were and continue to be in a position to influence directly the whole economy of the nation as, for example, in coal and iron mining, transportation, commercial building construction, newspaper printing and publishing, aircraft and automobile, shipbuilding, clothing, steel, machinery, glass, rubber, meat-packing, and metal industries. Size is of itself not so important as the militant spirit and the political and social potentialities of a highly organized minority. Moreover, since the primary purpose of labor unions is to negotiate with employers for the purpose of establishing the terms and conditions under which their members shall be employed, it is significant that 50 per cent of all employees are working under union agreements, and in manufacturing about 65 per cent.[3]

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[2] Ibid., p. 7.

Concentration of industrial power in manufacturing tends to be correlated positively with coverage by labor organizations. As long ago as 1937 there were 121 products valued at more than $10,000,000 in which more than 75 per cent of the output was manufactured by four firms. In addition to these there are many products with a smaller output value which are likewise highly concentrated. For manufacturing as a whole, about one-third of the total value of products were produced under conditions where the four largest producers of each individual product turned out from 75 to 100 per cent of the United States production. Concentration may be measured not only by the value of manufactured products, but also by employment by establishments, employment by firms, and sales handled by giant corporations. If we use these four criteria for measuring the concentration in major manufacturing industries and range them in order from the highest to the least concentration we must list them as follows: (1) automobiles, (2) tobacco manufacturers, (3) rubber products, (4) transportation equipment, (5) electrical machinery, (6) products of petroleum and coal, (7) iron and steel and their products, (8) nonferrous metals and their products, (9) machinery, except electrical, (10) chemicals, (11) textile-mill products, (12) stone, clay, and glass, (13) food and kindred products, (14) leather and leather goods, (15) paper and allied products, (16) furniture and finished lumber, (17) printing and publishing, (18) lumber and basic products, (19) apparel and other finished products.[4] When we compare this list with the industries in which almost all, a large proportion, or perhaps a half of the employees are covered by union agreements,[5] it is apparent at once that the two lists largely correspond. Thus "big labor" and "big business" are giant power groups covering many of the same principal products of industry. The extent to which they act responsibly and the extent to which they maintain industrial peace is a concern of the whole national and even international community. When, for example, the two titans, General Motors Corporation and the CIO United Automobile Workers of America signed their five-year agreement in 1950 a union with over a million workers contracted for industrial peace with a company which shares with Chrysler and Ford 90 per cent of the production of passenger automobiles.

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[3] Florence Peterson, *American Labor Unions*, p. 188.

[4] *United States versus Economic Concentration and Monopoly:* A Staff Report to the Monopoly Subcommittee of the Committee on Small Business of the House of Representatives, pp. 99-104.

The character of unionism and of collective bargaining in America has been determined for the most part by the historical factors which dominated industry in the late nineteenth century. Only recently have new dimensions become more prevalent. The term which most clearly defines the past is "business unionism." In the late nineteenth century it became apparent that American labor was not to win political power under the aegis of the Knights of Labor. Then under the leadership of Samuel Gompers it turned to unionization and collective bargaining. Having turned its back upon the thought of reforming the government and changing the power balance in the state, it set out to win concessions from management. American labor had never been thoroughgoingly radical so that we cannot hold its craft-unionism philosophy to be a simple reaction to political failure. It did learn to accommodate, however. In this, "business unionism" resembles in part the unconscious strategy of the church.

The radical New Testament ethic of love creates a tension within the church as a conservative institution which in turn must adapt itself to the social order if it wishes to influence it. The revolutionary ethic within labor also creates a tension within a unionism which accepts capitalism in order to control it. We have already noted the accommodation of the church to the capitalist order in previous chapters. The ethic of the labor movement was never in essence as radical as New Testament Christianity. Yet this early Christianity did not expect to reform the Roman Empire; but labor did appropriate the American Dream and did expect to achieve a society of freedom, equality and opportunity in the nation. By the time that it had gained a foothold in the United States, however, the two-party system was strongly entrenched and the movement had already in the Knights of Labor suffered serious political loss. Moreover, there was not the conception of class or of class struggle in the movement such as had developed abroad. The social gospel group in the churches which criticized the accommodation of American Christianity to the *status quo* correspond roughly in function to the socialists in the labor movement who felt that labor would never achieve its proper goals by craft unions alone or by business unionism. The social gospel leaders were not all socialists, by any means, but their position corresponded relatively in the church to that just noted.

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[5] See Florence Peterson, op. cit., pp. 188-191.

For better or for worse the craft union was a kind of specialty organization which existed to serve the interests of the members who paid dues. Even the modest objectives of Gompers and his associates provided a formidable task.[6] The history of the struggles of labor expose an aspect of corporation development and philosophy of which enlightened management today is not proud. Poverty, monopolistic industry, depressions, the fickleness of the rank and file, violence, prejudice, the opposition of the courts, and the callousness of the public including those in the churches—were tremendous obstacles. Recognition of the union, higher wages, shorter hours, better working conditions—these are the gospel of business unionism. It is not a radical revolt against the system of wages and markets but an attempt to live within it and control the jobs.

Business unionism was a minor phenomenon fifty years ago. Today, as we have seen, it is a major aspect of economic and even of political and social life. But unions today are still dominated by their earlier philosophy, except for a few advanced leaders who are aware of the grave responsibility which the workers' movement carries into the future. We shall return to this problem a little later.

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[6] See Eli Ginzberg, *The Labor Leader*. Paul K. Crosser, *Ideologies and American Labor*.

The church people were at first, as we have seen, hostile to the labor movement, with the exception of the few leaders who have developed social Christianity.[7] Should we take as an example the attitudes of Illinois Congregationalism at the time of the development of industry in Chicago and the Haymarket Riot, we find that *The Advance* denounced labor unions. During the seventies this church paper attacked unions for their eight-hour day agitation, the reasons being that this proposal meant a waste of capital in unused machinery and that it was dishonest to ask a day's pay for only eight hours of work. While this church paper complained that there was "almost a mania for business, as about the only ambition worthy of spirited young men," nevertheless, the conflict between capital and labor must be settled "on a Christian basis by the capitalists." [8] Strikes were disapproved in principle and strikers were regarded as a mob and should be put down as "law breakers." When the Haymarket Riot broke in 1886 the tragedy was the theme of most sermons in Chicago Congregational pulpits on the Sunday following and the arrested anarchists were condemned in advance of trial. As their conviction seemed to come about much too slowly, the editor of *The Advance* called for a serious modification of the jury system. Mayor Harrison was scolded for the toleration which had ever allowed the presence of such scum in the city and the suppression of a German language newspaper was applauded. This same Congregationalism which a generation earlier had furnished leaders in the abolitionist and anti-slavery cause, invoking the sacredness of the Bill of Rights, now failed to produce any prominent leader who was identified with those whose calmer judgment saw in the conviction of the anarchists that serious miscarriage of justice which later research has revealed that it probably was.

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[7] James Dombrowski, *Early Days of Christian Socialism in America* and C. H. Hopkins, *The Rise of the Social Gospel in American Protestantism.*

[8] See Hermann R. Muelder, "The Period of Growth, 1865-1900" in Matthew Spinka (ed.), *Congregationalism in Illinois.*

When Governor Altgeld six years later pardoned those not immediately executed, the Congregationalists' organ was with the crowd that bitterly condemned him.[9] During the Pullman strike in the '90's the denomination stood with the owners and against the workers, though they had organized a church in West Pullman, whose members were factory workers of the Pullman Company. Eugene V. Debs was denounced as an "autocrat . . . drunk with the sudden sense of power," and the strike was labelled "Debs' Rebellion." President Cleveland was praised for sending in federal troops and Governor Altgeld was berated for protesting their coming. But such attitudes were soon to be modified by the new spirit of social Christianity.

Other voices among the Congregationalists were being raised and their influence, along with those of other denominations in the newly organized Federal Council of Churches, brought forth the Social Creed of the Church in 1908. Washington Gladden, "Father of the Social Gospel," was welcomed to Illinois pulpits. George D. Herron was influential in the last decade of the century in Iowa and Illinois, even nominating Eugene V. Debs as Socialist candidate for president. Josiah Strong was at the height of his powers and Graham Taylor began in 1893 his "pioneering on social frontiers" from his base at Chicago Theological Seminary. He went to Chicago "to pioneer that first department in any church institution to be wholly devoted to the social interpretation and application of religion." Since 1908 the right of unions to organize and of collective bargaining has been a stable item in the social creeds of the churches. What we have noted among Congregationalists has been roughly the case for Episcopalians, Baptists, Methodists and Presbyterians.

The liberal element, though not large, has been influential. It corresponds as does the conservative group with other parallel forces in the community. The expressions of social protest and guidance reflect a sense of historic strategy and of effective emphasis in social conflict. As Yinger has pointed out, pronouncements do not upset the balance of power or the basic nature of the economy, but they do prepare public opinion for a better day, providing ethical justification for constructive social change, and they do keep the churches in a position where they can reduce the harshness of a given society even when they do not affect it immediately in a dominant way.[10] Their conservative function in society can undergird the humanitarian gains of past liberalism and social justice quite as truly as conserving the order itself. The vanguard of social reform in the churches may provide a disinterested demand for needed reconstruction and may give religious and moral motivation to the implications of social analysis and research. Moreover, if the churches can regain a broader base among the common people, they can more easily implement their human sympathies and social goals. A classless gospel cannot effectively meet the needs of declassed people through a class-dominated church, however. Class transcendence is a precondition of prophetic leadership.

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[9] Ibid., pp. 202-203.

Social concern has not only developed in the church's attitude toward organized labor but in the unions themselves. The term "business unionism" hardly does justice to the wide range of functions and values which a large contemporary union performs and seeks to realize. Some broad social causes have engaged trade unions for a long time. Organized labor has for over a century been a champion of public education and in some unions education is a vital part of the ongoing program. Leaders in workers' education are encouraged by the growing improvement in the relations of labor unions and the colleges.[11]

During the war the CIO Postwar Planning Committee stated labor's peacetime objectives to be: "(1) a job at decent wages, or a farm or business that pays; (2) a well built, convenient home, decently furnished; (3) good food, clothing, and medical care; (4) good schooling for children, with an equal chance for healthy and happy growth; (5) an adequate income through social insurance in case of sickness, old age, early death of the wage-earner, or unemployment—not just for the worker, but for all the people." [12] Katherine Lenroot points out that there are 41,550,000 children and youth in this country under the age of eighteen years. Labor, she says, has consistently served as a pressure group for children and in the course of years has broadened its interests and outlook to cover many phases of child life. The unions have supported the regulation of child labor, the establishment of the Federal Children's Bureau, and the Social Security Act with its provisions for family security and maternal and child welfare. During the war, Community Chests and Councils discovered what powerful allies the AFL and CIO could be.[13] They entered new positions of community leadership more on a parity with other groups. In the struggle for FEPC legislation the role of the unions has been conspicuous. Unionism is being integrated into American life. Whereas in 1942 the CIO, for example, was represented on ninety community-service programs, in 1950 the number was seven thousand. In Akron, Ohio, the once bloody battleground of industrial conflict, sixteen CIO people served on various boards of the Community Chest. This is all part of a quiet social revolution taking place in American life. *Fortune* says that the resistance by "polite society" against accepting the union leader is hardly more strenuous today than the resistance of the New York "society" of merchants and bankers in the 1870's and 1889's to the new industrial magnates. The normal integration of labor in the community can be greatly assisted by the attitudes of the churches. The community needs the social and spiritual resources of workers in cooperation with the business, professional, political and religious agencies.[14]

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[10] J. Milton Yinger, op. cit., p. 175. See C. Howard Hopkins, "A History of Congregational Social Action," in *Social Action* (May 15, 1942).

[11] Mark Starr, "Organized Labor and Education," in L. Pope (ed.), *Labor's Relation to Church and Community*, Chapter 4.

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[12] Lawrence Rogin, "Labor's Concern for the National Welfare," in Pope, op. cit., p. 17.

[13] Ibid., Chapter 3: "Organized Labor and Children." See Chapter 6 in the same volume: A. Philip Randolph, "Discrimination Against Minorities," and other essays.

[14] B. Brownell, *The Human Community*, Chapter IV.

II.

UNION RIGHTS AND UNION DUTIES

The charge of irresponsibility has been hurled at both old and new unions. The newer labor organizations have been assailed for violence, sit-down strikes, inability to control their members, and failure to adhere to their agreements. Older unions are charged with racketeering, loose financial practices, and undemocratic procedures. Then there are allegedly excessive initiation fees and dues, workers forced into the closed shop, coercion to go on strike, lack of free discussion in meetings, with elections stolen and conventions skipped. Unions are charged with being unwilling to cooperate wholeheartedly in promoting production, opposing technological advance, unduly limiting work, and forcing employers to hire unnecessary men to perform unwanted labor. Indeed, the list of irresponsibilities with which labor is charged is very long. Moreover, it is not difficult to find evidences for union irresponsibility. Obsession with union failures sometimes obscures labor's democratic role and the lack of it in corporation structure. On the other hand, the record of management in industrial relations is quite a black one in certain periods and contributed to some of the evils in unionism. Democratic responsibility in industrial justice is a difficult and often ambiguous goal to achieve. In 1902 a governmental investigating body, the Industrial Commission, following an exhaustive survey observed: "By the organization of labor, and by no other means, is it possible to introduce an element of democracy into the government of industry." Joel Seidman, author of a work called *Union Rights and Union Duties,* says: "Though in particular unions democracy may be seriously limited, moreover, it would be rare to find one in which the members, as a practical matter, have so little control over officers and policies as do the stockholders in many of our leading corporations." [1]

Unions have responsibilities to their members, to their employers and to the public. Let us look at these briefly in turn. Trade-union democracy like political democracy must express both the principle of personality and of community; it is both a goal and a technique or at least a philosophy of procedure. It can be learned only by practice and by the constant vigilance of leaders and members alike. It is important for the future welfare of the nation that the union provide occasions and procedures for the development of critical, creative and responsible participation in the grassroots of union life and work. Unions owe it to their members and the vigor of the democratic spirit throughout the nation to develop a sense of respect for each of the 14,000,000 men and women who are its members and to be schools in responsible citizenship both on and off the job. Unions vary greatly in maturity and democratic accomplishment in this regard. As they become more powerful they must expect to be held accountable for the responsible use of power and to discharge their educational obligations to industrial citizenship. Those duties are both personal and collective, both within the union, within the industry and for a better social order.

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[1] P. 16.

In 1944 the American Civil Liberties Union proposed the following "Bill of Rights" for Union Members. Presenting it here does not imply that many unions do not live up to it, but it will serve as a measure of responsibility to members:

"1. Membership in a trade union appropriate to his trade or calling and to his place of residence should not be denied (a) by discrimination based upon race, creed, color, sex, national origin or political affiliation, nor (b) by the imposition of excessive initiation fees, nor (c) by any limitations on membership other than incompetence in his trade or calling, bad moral character or a record of anti-union activity.

"2. Democratic participation of a member in the conduct of the union to which he belongs. This requires democratic organization of the union, inclusive of local, district, state, national and international units. Among the principles to be safeguarded in democratic organization of trade unions are (a) provisions for regular meetings or conventions held at reasonable intervals, (b) fair elections, (c) free discussion within the union of all union problems, and (d) control of dues, assessments, and financial matters by the membership, together with clear and authentic periodic reports to members on union finances.

"3. Protection within his union against arbitrary proceedings of a disciplinary character, to be guaranteed by constitutional provisions for fair hearings before persons other than those bringing charges, and with appeal to a separate and independent body.

"4. Fair and equal treatment with respect to job placement in all cases where the union exercises control over employment." [2]

This "Bill of Rights" is important for union members, but it has the larger significance for training in the whole scheme of democratic values and procedures which is at stake in the larger community.

Unions have responsibilities not only to members but also to employers.[3] Employers expect unions to abide by their agreements. This presupposes, of course, that provision is made to remake the agreements when circumstances require it, for it belongs to the nature of the moral life that men not only make agreements and keep agreements, but also improve their agreements. Violation of the contract is sometimes due to misunderstanding as to the meaning of its clauses or to inadequate machinery for adjusting disputes. Sometimes the employer is victim of a struggle within the union. Then, too, there is the jurisdictional strike which has been one of the great evils of the American labor movement. The jurisdictional disputes occur most frequently between craft unions and historically found their most fertile field in the building trades. There are, however, bitter clashes between craft and industrial unions, though the newer machinery in holding elections is mitigating this problem a good deal. Employers have also suffered because of boycotts and similar pressures. Unions need to be aware of the consequences of their acts to management. In the case studies which we shall examine below we shall observe some of the constructive aspects of this interpenetration of responsibility. Employers more and more expect unions not to use their power to restrict output but to promote production. In the contract between General Motors and the U.A.W. the company expresses belief that the union has a new appreciation of the relation of improved technology to production.

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[2] "Democracy in Trade Unions," p. 16.

[3] See Joel Seidman, op. cit., Chapter 3.

Unions have a responsibility to the public which includes both management, other union members, and consumers, each with its distinct interest. The public has a stake in the democracy of the unions, viz. that these nuclei of vast economic and social power be democratically controlled, not only by government at their periphery, but at the center. No economic power is justified that fails to serve the public welfare. For example, it has a stake in the elimination of racial discrimination and prejudice. It has a stake in freedom of union control by political groups with ulterior purposes. It has a claim on unions to reach out to the needs of the unskilled, the underpaid, the unorganized, the inarticulate and the physically disabled.

Unions have an obligation to the public with respect to the elimination of racketeering, the control of jurisdictional disputes, the movement of vital necessities at all times, the availability of indispensable services, and the use of its power as it affects the costs of consumer's goods and services. The relation of union activities to the public interest has enormously increased as the range of union activity and the power of the unions in production and distribution have grown apace.

The character of collective bargaining is determined in part by the high concentration of power in the hands of a small number of corporations. Big labor is in large part a response to big business. Mass industries preceded the CIO. Unless the extent of this power is appreciated, it is difficult to understand that collective bargaining is a democratic element in a situation where monopoly tendencies override free-enterprise. Several facets of the power of large economic enterprise should be briefly noted. No careful observer of American economic life can doubt that the long-continued trend toward concentration of economic power into the hands of fewer and larger corporations gravely endangers and may eventually stifle the traditional American "free and independent enterprise." The growing dominance of major economic units over almost every field of enterprise constitutes a most basic threat to the continuation of unfettered trade. There is ample evidence in the reports of the Temporary National Economic Committee and the Smaller War Plants Corporation to confirm these tendencies. In a staff report to the Monopoly Subcommittee of the Committee on Small Business of the House of Representatives the chief findings are readily available to the public.[4] The danger, it is pointed out, does not reside "in big business as such, but in the concentration of economic power which can be used to stifle free competitive enterprise." Where a few firms control a large percentage of the business in an industry or line of trade, such power creates a situation in which the public is not likely to obtain the benefits of competition.[5]

Concentration has already reached a very advanced stage in the U.S.A. The TNEC report showed, as we have noted, that for manufacturing as a whole about one-third of the total value of all products was made under conditions where the largest four producers of each individual product turned out from 75 to 100 per cent of the U.S. production of these items. The SWPC reports showed that this tendency has been far exceeded in World War II. Of course, the sole evidence of concentration is not the relative position in an industry, for a company which accounts for but a minor percentage of business in a particular industry, may control other businesses in related lines and may thus be in a position, as in the A & P, for example, "to enjoy special advantages through power over suppliers, marketing channels and advertising, technology, access to capital, and access even to agencies of government."[6] Only two hundred of the largest nonfinancial corporations own over half of the assets of all nonfinancial corporations in the United States.

Freedom of private enterprise is not compatible with these developments of high concentration of power. On the contrary, great pressure groups result, each endeavoring to use government as an instrument to protect themselves or to force their will on other groups. Such pressure groups develop among business men, farmers, and labor. Moreover, these lines of power become more set in their ways and more deeply enmeshed in the day by day life of the nation as a whole, both in war and peace; any serious effort to correct abuses or to change the power structure involves a major upset in the economy as a whole. The cry for law and order thus serves to confirm "oligopy."

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[4] *United States versus Economic Concentration and Monopoly.*

[5] Ibid., p. 1.

[6] Ibid., p. 1.

It is sometimes argued that if big business "is left alone the 'superior efficiency' of the giant enterprises can give the public more goods and services at lower prices." But this is a dubious argument, even if we should not consider the threat to democracy that resides in the concentration of power in the hands of the few. The TNEC did not find substantiation to the claim of greater efficiency and better services to the public. On the contrary, it concluded that the superior efficiency of the "biggest companies had not been demonstrated—that concentration in many lines had gone beyond the stage which would be justified if firms were no bigger than they needed to be to reach their highest operating efficiency."[7] The staff report to the Monopoly Subcommittee referred to above states: "In the opinion of the committee staff, those who claim that big business, if not interfered with by government, will always maintain a competitive enterprise economy are being just as unrealistic as those small business proponents who would ignore the fact that in most of the key industries size *up to a point* is necessary for efficient operation."[8]

An important aspect of the continuing growth of concentration of power in American industry is the way in which surplus property was handled after World War II. Surplus plant disposals have been conducted in such a way as actually to improve the relative position of the 250 largest manufacturing corporations over their 1939 position. The same may be said for equipment. "Ten months transpired after the end of the war before the disposal agency issued a regulation preventing large contractors with government-owned equipment in their plants from buying directly all of the best equipment, leaving the unwanted tools to be declared surplus." [9]

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[7] Ibid., p. 2.

[8] Ibid.

In another way small business was in a disadvantageous position following World War II. Because of material shortages in the reconversion period it was in a poor competitive situation. In the absence of controls over the distribution of scarce goods in this period, concentration was furthered in reconversion just as it was by the procurement program.

One important aspect of economic concentration which has received much less attention than it deserves, and one which has wide implications for the social order as a whole, is that of government-financed research and development contracts. During the war almost $1,000,000,000 of research contracts from the Government were distributed among two thousand industrial organizations. Two-thirds of the value of Federal research and development contracts went to sixty-eight corporations, the top ten corporations receiving nearly two-fifths of the total. "The Federal funds going to the top sixty-eight corporations exceeded greatly the amount spent by the entire nation for industrial research in any one prewar year." [10] The matter does not stop here. The investigations of the Senate Military Affairs Committee showed that "over 90 per cent of the contracts made between government agencies and private industrial laboratories for scientific research and development placed the ownership of patents with the contractor, the government receiving a royalty–free license for its own use only. It has been estimated that 77 per cent of all wartime technological developments clearly can be used in the postwar (World War II) period." At the present time the Army and Navy are responsible for the negotiation of the principal part of government-financed research being carried on by private companies. As of July 1, 1946 these military agencies had authority to expend over $500,000,000 on research and development. They had discretion as to the proportion to be spent on private companies. So far as patent rights are concerned, the research contracts being negotiated seem to be similar to those negotiated during the war period.

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[9] Ibid., p. 8.

[10] Ibid., p. 9.

The above, then, are a few of the facets of the power concentration in which business and, as we have seen above, labor are involved. Business has only reluctantly welcomed labor as a "partner in production." For the most part, this expression is still a euphemism which hides the basic conflict between the social consequences of the union drive for "economic democracy" and the employer's reservation of ultimate control to himself. The employer is hard to deal with when he is overimpressed with his traditional privileges, stemming from ideas of absolute ownership. He may reluctantly give in to unionization and then with a sense of injustice. He may be tempted to play the game of "calculated risks" and this is not the road to peace, for it is only a matter of time before the risk materializes and conflict breaks out.

Collective bargaining takes place, we may conclude, between management, which has the position of power and initiative in economic leadership, and labor, which is dependent on industry. The power of labor is more negative than positive. Management and labor do not approach each other with equal status. So long as labor accepts the philosophy of job control within the wage system, its dependence on management will be finally determinative.

Collective bargaining generally takes place in a situation of conflict where one party is to win something and the other party is likely to lose something. In appearance the progress of bargaining tends to look like the progressive winning of advantage by the unions from management. Union leaders are expected to "bring home the bacon." In the mythology of conflict the leaders must win if they are to retain prestige and status.

Kenneth Boulding has argued [11] that the development of trade unionism has not resulted in a larger share of the national income going to labor. There is a difference in the composition of that portion of the pie which goes to labor, but it would be a mistake to assume that labor as a whole has gained income-wise by unionization. Economists are not agreed on this point. The main effect is to make money wages unresponsive to the general movements of inflation or deflation in the economy. Boulding believes that in the unorganized markets the tendency is for wages to rise faster in inflationary periods than in organized markets. The benefits which he finds in collective bargaining have more to do with political, social and cultural relations. Clark Kerr and Lloyd H. Fisher have shown that in some multiple-employer situations such as that in San Francisco, the employers have organized in defense using a master agreement as one of their tactics. The established trade unions have accepted this partly because it gives them security from the attacks of rival unions, though it means that their relative bargaining power against the employers has been reduced. This relationship also results in reducing the sovereignty of the individual firm and of the local unit of the union. Wages have been relatively little influenced by the supply and demand for competing groups of workers in the local labor market. "The manipulation of power and formalized concepts of justice have replaced atomistic market forces in determining the price of labor. Wages have become less flexible, at least in the upward direction." [12] Another consequence is that industrial relations become more a problem in political economy and less one in pure economics, as the area of the bargain grows and unitary decisions replace market forces. What does this suggest for the future? "Experience in Great Britain and Sweden . . . would indicate that the long-run future may be with the type of collective bargaining developed in San Francisco rather than with the more traditional, single-company pattern largely dominant elsewhere in the United States." [13]

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[11] *A Reconstruction of Economics,* Chapter 14.

The problem of economic welfare is not solved simply by trying to decide who shall get a larger share in a fixed pie. It is recognized both in America and Britain that economic well-being depends on a bigger pie to be distributed, or, in other words, the importance of higher productivity. In Britain the government has been largely instrumental in getting this idea across. The development of joint consultative machinery encourages interest in this subject at the factory level. Along with higher productivity it has been necessary to establish confidence in the continuance of full employment. Confidence on the latter point resulted in 1949 in a greater readiness on the part of both sides in industry to adopt improved methods of work and incentive schemes of payment.[14]

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[12] "Multiple-Employer Bargaining: The San Francisco Experience," in Richard A. Lester and Joseph Shister (eds.), *Insights into Labor Issues*, p. 60.

[13] Ibid., p. 61.

III.

CASE STUDIES IN THE CAUSES OF INDUSTRIAL PEACE

The problems of collective bargaining can be solved only through experience and growing maturity on the part of both parties. Mr. William H. Davis, Chairman first of the National Defense Mediation Board and then of the National War Labor Board has pointed out that immaturity in collective bargaining relations cannot be skipped over, but must be outgrown. "That is no more possible in the growth of industrial relations from infancy to maturity than it is possible for a baby to skip the intervening years, and become a man tomorrow." [1] Labor, management, the church and the public have all to understand and appropriate the social engineering approach which this implies. Christian concern, as we have noted, has expressed itself largely in moralistic terms, in broad generalizations regarding motives and objectives, and in pronouncements regarding principles and specific reforms. The pronouncements have stressed the rights of labor to organize, the rights of collective bargaining, and have assumed that constructive compromises in the interest of social justice and industrial peace were possible. Lack of intimate knowledge of industrial relations drives moralism into extreme positions. The moralistic approach has tended to encourage either an overly optimistic solution or a negative attitude to the problems, stressing the ineradicable sources of sin, the evil in human nature, the corrosive influence of the urban and industrial environment, and the immorality and sinfulness inherent in all group life. Though individual business men and labor leaders may achieve some personal moral stature, it is urged that associations of economic interests are so corrupted by nature with self-interest that a tolerable justice is highly problematical. The negative approach to industrial peace and justice is also encouraged today because of the national hysteria regarding communism.

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[14] Lewis, *British Planning and Nationalization*, p. 33.

[1] Quoted in Joel Seidman, *Union Rights and Union Duties*, p. 12.

The more positive approach, however, has been asserting itself. It is especially suited to religion because its essential vocation goes beyond moralism to redemption. Church and secular leaders can unite on the need for a constructive and comprehensive political science of labor-management relations which is really the social engineering approach. This combines a realistic facing of all the complex forces at work with faith in the possibilities both of individuals and of group relations. The positive method has been used by the National Planning Association in instituting some case studies based on a suggestion made by Clinton Golden late in 1946. "In my opinion," said Golden, "the time has come when, instead of looking into the causes of conflict that we know and hear so much about, we ought to try to discover *how much peace there is and what makes peace*." [2] A number of case studies were undertaken of which eight have been completed. The focal point of the case studies is the causes of industrial peace under collective bargaining.

In selecting companies and unions to be studied the National Planning Association observed certain criteria. The cases are drawn, first of all, from important industries which are strategic to the country's general economic health. Secondly, the geographic distribution of the plants was studied so that no section would be over-represented. Thirdly, the plants had at least a thousand employees. Fourth, the companies and industries were in a reasonably competitive situation; thus cases are avoided where a monopolistic condition made it possible to "buy peace at a price." Fifth, situations are chosen where industrial peace could not be accounted for as due only to a personality or some other unique factor on either side. Sixth, the problems to be resolved were representative of important industrial relations issues. Finally, since peace is not the mere absence of war, the lack of strikes is not the sole criterion of good relations, nor their occasional presence an absolute proof that they are bad.

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[2] *Causes of Industrial Peace Under Collective Bargaining.*

In selecting the cases, ten thousand leaders in industry, labor and public service were asked for nominations, along with the general public. Initial nominations of a thousand cases were further analyzed including the willingness of the company and the union. The question "How many strikes?" was less crucial in the studies than queries such as: "How much and what kind of freedom does the employer enjoy in his relationship with the union?" "How much mutual confidence have both parties in each other?" "Have the company, the union, the public gained or lost from the collective bargaining relationship?" Only when satisfactory answers to these questions were forthcoming could the term "constructive peace" be applied to a situation.

The cases thus far studied and reported include the following: [3]

(1) The Nashua Gummed and Coated Paper Company in relation to seven A. F. of L. unions. There are 700 hourly employees in this company. No strikes have occurred since 1934. Two cases have been taken to arbitration by the unions. The first of these was won by the union involved; the second was lost. The company is located in Nashua, New Hampshire.

(2) The Lockheed Aircraft Corporation in relation to the International Association of Machinists. Lockheed is one of the largest and best known airframe manufacturers in the United States and the International Association of Machinists is one of the country's leading unions. During the war employment reached 94,000. In 1949 the company was operating two large plants in Burbank, California, with 13,500 employees. Lodge #727 of the Machinists represented in

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[3] In succeeding footnotes the cases cited will follow the numbers of the cases as published. Each case was published separately by the National Planning Association.

1949 nearly all of the hourly paid factory, office and technical employees. Approximately 85 per cent of the employees in the bargaining unit are members of the union. Relations have at times been difficult but its record has not been marred by authorized strikes, though there have been strike votes.

(3) The Sharon Steel Corporation in relation to the United Steel Workers of America. Except for the industry-wide steel strike in 1946 there has not been a single strike or work stoppage during the twelve-year collective bargaining relationship. Every grievance has been adjusted without resort to arbitration; not a single dispute at Sharon was referred to the War Labor Board during World War II. The plants are located in Pennsylvania and Ohio. The number of employees is in excess of 6,000.

(4) The Hickey-Freeman Company in relation to the Amalgamated Clothing Workers of America. This company is located in Rochester, New York. In its 29 years of collective bargaining it has not experienced a single strike; not for 18 years has a case gone to arbitration. In 1947 there were 1,610 wage earners.

(5) The Dewey and Almy Chemical Company in relation to the International Chemical Workers Union. Located in Cambridge, Massachusetts, it employs slightly under 1,500 people. The nine-year record of collective bargaining at Dewey and Almy has been peaceful. The one work stoppage in the history of the relationship involved but twelve employees in a single department for a period of two days. Only two issues have gone to arbitration and on but one occasion has a federal conciliator been called in during negotiations.

(6) The Libbey-Owens-Ford Glass Company in relation to the Federation of Glass, Ceramic and Silica Sand Workers of America. The relationship has not been free from industrial conflict. In fifteen years there have been two prolonged and costly company-wide strikes in addition to sit-downs, slowdowns, and work stoppages. Libbey-Owens-Ford operates eight flat glass plants with about 7,500 hourly-paid workers; four plants are in Toledo, Ohio, one in Shreveport, Louisiana, one in Charleston, West Virginia, and two in Ottawa, Illinois. This company and the Pittsburgh Plate Glass Company to-

gether produce about 95 per cent of the nation's supply of plate glass.

(7) The Crown Zellerback Corporation and the Pacific Coast Pulp and Paper Industry in relation to the International Brotherhood of Pulp, Sulphite and Paper Mill Workers and the International Brotherhood of Paper Makers. The corporation is the largest in the West Coast pulp and paper industry. Not a single man-day has been lost because of authorized strikes since 1934 in that whole region of the industry. The only strike at all, and that confined to a single plant, was not over a dispute between management and labor, but between the established unions and a rival organization. The thirty-two primary pulp, paper and paper converting mills extend from Billingham, Washington, near the Canadian border, and as far south as Los Angeles, more than one thousand miles away.

(8) Marathon Corporation and Seven Labor Unions, several of them of different types. There has never been a strike or a lockout at the Marathon Corporation. Arbitration has never been employed, neither the company nor any of the unions has resorted to the courts, only twice has conciliation been used, and governmental agencies have been called in on labor relations matters only where the law required it. Marathon has about six thousand employees, 2400 of whom are in Canada. The contracts with the seven unions cover all its production and maintenance workers—approximately 3,000—in four Wisconsin plants and one in Michigan.

Collective bargaining transpires within an environment. This context of external factors is a subject of investigation by itself, but some attention must be given to it lest when we discuss the findings of the case studies we forget that many factors outside the control of the parties in collective bargaining may at times be decisive for or against good relations. In the course of the eight cases which have been studied, the following external factors conducive to industrial peace have at one or more points come into the picture: (1) situations where the work has been intrinsically pleasant and interesting; (2) situations where the company or plant has been small enough to permit personal acquaintanceships in the bargaining relationship; (3) situations in which both the company and the union mutually sought for survival; (4) situations where wartime governmental control compelled the parties to get along without strikes; (5) situations where employment has been steady due to the diversity of products manufactured and relative freedom from cyclical and seasonal points of view; (6) situations where the firm's financial position has been strong and therefore it has had the "ability to pay" for the wage and other benefits negotiated for by the unions; (7) situations where labor costs have not been too high or dominant a portion of the total costs; (8) situations in which management is located at the scene of the plant operations and hence able to make necessary decisions without delay; (9) situations free of serious jurisdictional rivalries among the unions; (10) situations in which the international officers have given local unions wide latitude in settling their own problems and in which the traditions of democracy are strong in the unions; (11) situations where there is steady high demand for the products of the industry; (12) situations where the growth of the company has been steady and where the competitive position of the firm, though stiff, has been favorable; and (13) where there has been "pattern bargaining" in the industry, so that common factors are handled on a broad front among the companies.

Favorable environmental factors do not guarantee industrial peace, though they have a positive influence. The chief contribution of the study of the cases is the parallel or common elements found in the quality of the bargaining relationship. We shall list these findings and illustrate from one or more of the cases to make the points concrete. Peace, of course, is more than the absence of strikes, but refers to the quality of the day by day relationship.

(1) "There is full acceptance by management of the collective bargaining process and of the union as an institution. The company considers a strong union an asset to management."

J. D. Zellerbach says that the fourteen years of peace are due to industry-wide collective bargaining and unique methods of contract negotiation and execution. Some companies have had to overcome an initial paternalism. Again, in the words of Zellerbach: "No, labor does not want paternalism. Grown men and women don't want to be babied by philanthropists. . . . In their private lives they want the free right of self-expression."[4]

Libbey-Owens-Ford in July, 1947, published its views as follows: "The company gives full assurance that its attitude remains one of full recognition of strong and effective seriousness."[5]

In the case of the Dewey and Almy Chemical Workers there have been three stages: (1) The first period was characterized by a paternalistic attitude, especially by the president. (2) Then came a period of tensions as the union became more and more aggressive when the president was on war assignments in Washington and the personnel director had to operate in a hamstrung situation. (3) The third stage has been genuine collective bargaining.

The Hickey-Freeman record of achieving teamwork out of an earlier state of warfare is due primarily to the philosophy of unionization developed by Sidney Hillman. The management of the Sharon Steel Corporation in the person of Mr. Roemer can be quoted as follows: "I always remember that I might have been on the other side of the bargaining table myself." "I think that the most important thing in America is the human problem. There must be complete understanding between labor and management."[6]

The Lockheed Aircraft Corporation had the problem of an industrial climate of opposition to unionism in the Los Angeles area. Lockheed was the first airframe company to agree to collective bargaining in Southern California. Despite its time of troubles the company has believed steadily in the union. The Nashua Gummed and Coated Paper Company accepts unionism as a necessary and desirable institution. At no level does management feel that the company would be better off without unionism. Yet in the beginning management was not prepared for the results of the union election: "We were surprised to see such an overwhelming vote for the union. We didn't think our employees wanted unions, and it was quite a shock to us." "We thought it was unjust for our employees to want to join a union."

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[4] *Causes of Industrial Peace.* Case No. 1, p. 26.

[5] Case No. 2, p. 41.

[6] Case No. 5, p. 5.

(2) "The union fully accepts private ownership and operation of the industry; it recognizes that the welfare of its members depends upon the successful operation of the business."

Here are typical union statements: "When I organize a local in an industrial plant, I stress to the men that teamwork in the plant is necessary. . . ." [7] "Certainly, the profit motive and the fully developed worker are not incompatible. We can work along parallel lines to the same goal—an America of material abundance and spiritual greatness." [8] "He's a hell of a good steelmaker and knows his business. He's tougher than hell, and you can't put anything over on him. He pulls no punches, but he's a square shooter." [9] In the clothing industry Hillman often negotiated for the Amalgamated by lowering wages and frequently the union loaned money to a company about to go bankrupt when the banks refused to extend their credit. "The union recognizes that full, uninterrupted production at low unit costs is necessary to take the pressure off prices, curb inflation and bring down the cost of living." "We lose ground or succeed together." [10] "My final word is let's continue to have faith and confidence and trust in each other. Let us continue to build up a spirit of good will. Let us all pull together in a spirit of sincere cooperation. . . ." [11]

(3) "The union is strong, responsible, and democratic." A weak union cannot be responsible or democratically effective. Responsibility means power to do one's duty and morale to effect one's purposes. Morale depends upon free democratic participation in union affairs. Hence in a healthy industrial relationship the unions are strong, responsible and democratic. All these case studies concur in this point. In some cases union membership has been practically universal. In some cases region-wide bargaining is the pattern. Some are union-shops; others approach the closed shop. In some cases the central authority of the union is great; in others local autonomy is marked.

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[7] Case No. 7, p. 4.

[8] Case No. 6, p. 39.

[9] Case No. 5, p. 7.

[10] Case No. 2, p. 41.

[11] Case No. 1, p. 6.

In all cases the local unions have been concerned with the welfare of the industry.

Let us take an example of what management considers union responsibility to be. Suppose a new bonus rate has been set in negotiations between the Libby-Owens-Ford and the union. A union is regarded as responsible if it tries to sell the men in the shop on the new rate; if it is able to say “no” to men with obviously unjustified grievances; if it is able to tell a man he is not competent enough to move up into a job to which seniority entitles him; and if it tells a straight story in describing union-management meetings. Such a union will be strong. As the union develops healthy strength it negotiates on problems without appealing so often for outside help. Resilience takes the place of show-down on principle.

The problem of union responsibility is more difficult than management responsibility because union officials are elected and dependent on their subordinates. Moreover, many are ordinary workers who have had less education; and thirdly, it is difficult to keep the rank-and-file fully informed on all controversial issues. Education and inner-union communication are difficult problems. One of the best unions from this point of view is the Amalgamated.

Union responsibility depends a great deal on union leadership and on management's encouragement. In the Sharon Steel Corporation management has not hesitated to call upon the union to produce constructive proposals for correcting sources of discontent and unrest. Management can assist by promptly handling the grievances of workers and thus encourage respect by the workers through its own expressions of respect.

(4) “The company stays out of the union's internal affairs; it does not seek to alienate the workers' allegiance to the union.” This factor is a negative corollary of what has been said above. Mutual respect requires placing a limit on one's own jurisdiction and appreciating the integrity of the other. In good relationships patience has priority over pressure. It belongs to the essence of collective bargaining that there be no interference by management in the internal affairs of the union.

(5) "Mutual trust and confidence exist between the parties. There have been no serious ideological incompatibilities." Good union-management relations depend on the political and economic compatibilities of the parties. By political compatibility is meant (a) "the general points of view of the parties and (b) the drawing of specific lines between 'mine and thine' which are consistent with the institutional needs of both sides. It has to do with the respective areas of sovereignty of management and unions, with the distribution of rights, and of power." [12] Economic compatibility means that the minimum needs of the unions and "fringe" benefits can be satisfied by the employer without undermining the economic position of the enterprise or unduly retarding its growth.

None of the unions were controlled by political groups with ulterior purposes. The limitations of ideological difference which absence of incompatibility entails may indicate a limitation inherent in collective bargaining as an ultimate solution to the industrial conflict in America, for as we have seen, responsibility to the general public involves responsible political action and participation. Let us take an illustration from the Amalgamated. At a time when left-wing pressure in the union was greatest, Sidney Hillman took this position speaking to his members: "You must remember that this is a trade union, and exists to benefit the members by dealing with employers. The utmost gains that you can win by that method I will try to get for you. But if you want to abolish employers and set up something else instead of the capitalist system, the union cannot do that for you. You will have to use some other organization that is adapted to the purpose." [13]

(6) "Neither party has adopted a legalistic approach to the solution of problems in the relationship." This is a most important characteristic of industrial peace. Justice is a richer relationship than contractual legalism. This whole conception is so closely related to the (7) seventh factor that we shall consider them together: "Negotiations are 'problem centered'—more time is spent on day-to-day prob-

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[12] Case No. 1, p. 28.
[13] Case No. 4, p. 64.

lems than on defining abstract principles." Note this statement by a management representative:

> "We try not to set down on paper any general policy on 'management rights' or 'prerogatives.' We prefer to handle each case as its own problem. . . . We like our contracts to be as simple as possible and as short as possible. Then we have a flexible set of rules to go with them. . . . We consult with the union representatives before taking action on a wage rate for a new job. . . . We try to encourage the expression of grievances." [14]

It is in such relationships that the personality of the industrial relations manager is so important. The unions appreciate men who face their problems as problems. Where the relationship is problem centered there is no limit to the development of cooperative procedures. One Libbey-Owens-Ford representative of management put it thus: We are "interested in settling problems . . . not concerned about making rules." They avoid abstract questions of ultimate authority and rights.

The relationship we are now describing emphasizes day-to-day bargaining at the local plant level rather than at the company-international union bargaining level. Most of the companies and the unions pride themselves on not having to resort to legal counsel in negotiations.

In one situation of unusually good relationships there is a disregard for the written word and a corresponding concern with the intention of the agreement. The basic agreement does not even exist as a written contract in the files of the union headquarters. But such a relationship reflects years of nurture in mutual confidence. In another situation the Steel Corporation head said: "I know the steel business and you know the union business, so let's keep lawyers out of this so they won't obscure our mutual objectives." [15] This leads to what may be called management by consultation.

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[14] Case No. 7, p. 38.

[15] Case No. 5, p. 7.

(8) The final point to be emphasized is this: "There is widespread union-management consultation and highly developed information-sharing."

We may say that there can be no community without communication. There can be no fellowship with absentee negotiations. Unity comes about when there is joint action in the area of agreement and joint study in the areas of disagreement.

Some companies emphasize *two-way* communication which is continuous. This applies to the grievance machinery, the plans of the company, its special problems, its technical problems, its financial strength, its new products and its reorganizations. The line organization is used for communication up and down. Employees have the need and the right to expect adequate information regarding policies and plans which affect them. Many devices have been employed which we do not need to enumerate here. Most of the effective ones are quite informal and personalized. No man can do good work when hidden grievances are smoldering inside him. Free discussion goes along with good faith and justice. It is all involved in the problem-centered approach and the conception of the industrial order as an exploration in human relations. Said one union leader about the Nashua Company: "You can always get to them without any trouble. There is no stalling. . . . The management has always called the union people in to tell them what's going on, rather than hitting them cold with a decision, the way so many managements do."[16] In the Marathon Corporation routine intercommunication between the company and the union takes place on a wide variety of matters. The individual plants are small enough to permit an intimacy of contact with the employees. The company does not try to drive a wedge between themselves and the union. The reason that the Marathon has been willing to discuss any subject with the union is that the latter has demonstrated its responsibility.[17]

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[16] Case No. 7, p. 38.

[17] Case No. 8, pp. 44, 52.

IV.

SOME LIMITING FACTORS TO COLLECTIVE BARGAINING

In an economy where the functions of management and those of organized workers are distinct, so that some collective bargaining is required, the *quality* of the relationship is important and this can be illuminated by the findings of the studies already made and still being undertaken by the National Planning Association. But there are inherent limitations in the method of the institutional case analysis. It cannot sufficiently take into account the general health of the economy as a whole and there may be general industrial trends which are ultimately determinative. Though there be constructive relations in a company, forces beyond the control of either party may destroy the quality of the relationship. It is always possible in an evolving economy that labor and management may not be properly related to the dialectics of the whole order. What, for example, the ultimate consequences of total industrial mobilization might be is quite beyond the scope of collective bargaining to determine. Moreover, there are sick industries which, like coal, constitute special situations but in which the public has a tremendous stake. Transportation also has become an increasingly delicate and urgent problem.

The mass industries, like automobiles and steel, are challenges to industrial peace for many reasons. Professor John M. Clark points out that one of the gravest problems in social relations in industry arises from the political character of the group tensions, not political in the sense that they involve balloting and the suffrage, or legislation, but in the sense that industrial disputes are no longer merely private. They have become semi-public or public not only in the interests but in the manner in which the contests are conducted. The situation leads both sides to take too rigid positions too publicly, often attaching, as Professor Clark says, "a spurious finality to terms more favorable than they actually expect to secure." Rigid positions publicly taken place the parties at the time of settlement in a bad public relationship, for any settlement "leaves one side or both partially or wholly defeated in what it has taught itself to think, or to claim, are its rights and just expectations, and confronted with a need of 'saving face,' which may lead to including features in the settlement which have no other justification." [1]

The leader of a very large union, and often of a smaller one, is usually in a political situation also. He must arouse ambition for gains in order to make it worthwhile for workers to support the union. And they must be gains for which the union can claim credit. There is pressure on the leader to "bring home the bacon" whether the company can afford it or not. Moreover, there is the political need to get as much as other unions have gotten, or to suffer by comparison. These relationships frequently place union leadership in compromise situations in time of industrial crisis which defy the simple moral judgments of "black" or "white" that the emotions of the hour in the public mind, including the religious mind we may add, demand. But competition between national unions, unlike competition among producers for customers, tends to raise prices. For when unions compete in selling their bargaining services to the workers, they must sell a service which means getting more from the employer [2] and usually this means more from the public.

A closely related political problem occurs when the leader cultivates hostility toward the employer on the part of the union membership in order to rally solidarity behind himself, though his personal attitude when dealing with management is quite cooperative. This politically immature situation must be resolved primarily by internal democratic growth in the unions where it occurs.

The problem of power in the American economy cannot be handled or disposed of within the limits of collective bargaining alone. From the standpoint of union power the latter can exercise a great influence on the market at the expense of both other labor groups and of consumers. As long as a labor organization acts independently it does not come under the anti-trust laws and it may use its coercive powers to control the market. From the standpoint of a competitive economy, featherbedding, resisting or blocking labor-saving technology, and limiting output, the unions may approach monopolistic practices. Moreover, simple collective bargaining which is done by a powerful union in negotiating wages on an industry-wide basis may limit competition. Thus the unions have a leverage obtained from disciplined organization of all employees in an industry to make more rigidly uniform one of the most important elements of cost and thereby tending to narrow the area within which competition can be effective; and this prevents somewhat the readjustments in the use of resources that competition may require. Collective bargaining on an industry-wide basis increases the probability that business rivals will follow an identical pricing policy. Negotiations in such cases will probably not be concluded unless business men have reached some understanding about their pricing policies.[3] In this way union power encourages cartel tendencies in the economy. The wage and price agreements which emerge in such a case may be fixed at levels that do not serve the public interest and the monopoly tendencies may discourage investment.

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[1] John M. Clark, *Guideposts in a Time of Change,* p. 179.

[2] Ibid., p. 180.

On the other hand, studies of national and regional bargaining show that the popular fear that industry-wide wage determination in manufacturing will have bad economic results, especially for consumers, is largely unsupported. Industries with such bargaining have wage scales not relatively high, their wage levels have not risen more rapidly than for manufacturing as a whole, and their wage negotiations did not lead to practices restricting economic change or fostering price fixing. As a matter of fact, in "industry-wide bargaining, wage decisions are likely to be more sensible and far sighted, taking into consideration the economic interests of the whole industry, and wages tend to be more stable, which is particularly desirable where rival unionism helps to give the economy an inflationary bias and expectations of price inflation and deflation aggravate the cyclical swings in business."[4]

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[3] See G. W. Stocking and M. W. Watkins, *Monopoly and Free Enterprise,* pp. 400-411.

The conclusion is clear, then, that collective bargaining has implications which require consideration of more basic policy decisions regarding the economy as a whole. Unions should not and cannot be smashed short of totalitarianism. They are needed as labor's "alternative to serfdom." If they are to be controlled, they must be controlled by government, as by government they also have security of operation. Great power may be exercised in a monopolistic manner and not in the direction of greater responsibility. Responsibility develops in relationship to accountability and not where absolute power is exercised. It has frequently been urged of late that labor be represented more fully in business and industry, but there is no assurance that the burden will not be passed on to the public. It has been suggested that perhaps the great federations of labor might exercise a comprehensive control over general wage policy for their member unions in responsible cooperation with management and government. What is especially valid in this suggestion is the principle that sound economic policy can only emerge where all the relevant factors in the economic and even political community are adequately represented and democratically accountable. How this can be done apart from democratic planning for freedom it is difficult to see. We shall have more to say about this in our discussion of property.

One of the limits to the contribution of collective bargaining to industrial peace is that there remains, despite the many favorable cases and despite the pro-free-enterprise and non-communist characteristics of the society, an undercurrent of hostility to management, to competition and to profits. Some would find the root of this hostility in the lack of imagination on the part of management and union leaders. *Fortune* believes correctly that the worker wants definitely to be a part of the business enterprise. "The worker is told that his wage, his standard of living, and his job depend on the profitability, stability, and productivity of the enterprise. He knows that. But this relationship is not immediate, not visible, not part of the daily relationship between man and company. It has no impact on the worker's experience. What is real is all too often the opposite: conflict, or the total lack of mutuality of interest." [5] *Fortune* calls it the biggest challenge to American management to design institutions that will tie the needs of business and of the capitalist system such as profitability, independent management, investment of risk capital, and productivity directly and visibly to the major interests of the worker as expressed by income, job security, recognition and participation and promotional opportunities. This is held to be also a challenge to union leadership. It may be that *Fortune* is hoping for something that cannot in the nature of the case be forthcoming unless the very distinctions of organized class power are removed. The worker's desire to be part of the business enterprise cannot be satisfied until he is in fact the member of a group making vital decisions regarding the essential goals of enterprise itself and his participation in it. There is some doubt whether this can be done without a basic change in the property relations themselves. It raises an economic and political question of a fundamental sort. It raises the direct question of the relation of the state to freedom of enterprise and socialization of the economy. The question of democratic socialism may not be in the consciousness of workers but the issue is inherent in the objective forces effective in the order. There cannot be a well defined sense of responsibility where relevant power in decision making is withheld.

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[4] Richard A. Lester, "Results and Implications of Some Recent Wage Studies," in Lester and Shister, op. cit., pp. 224-225. Seven industries were under investigation on the issues raised above.

The future of labor-union relations depends considerably on the state. "Business unionism" which eschewed politics is now anachronism as the very life of unions demonstrates. Unions that are expected to be responsible to the public at large will by that very act become politically more self-conscious and perhaps more independent of the old-line capitalistic parties. Questions of the stability of the economy as a whole, of security, of responsibility to the consumer, of nondiscrimination in employment, of civil liberties in unions, of communist domination, of unemployment compensation and all other welfare items involve government directly or indirectly.

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[5] *Fortune*, "The U. S. Labor Movement," 43 (Feb., 1951), p. 168.

The question of a labor party in America has occasionally been raised. In the days of the Knights of Labor there was considerable self-conscious political action among its members. But with its humiliating demise, the labor movement became essentially non-political. Gomperism in the A. F. of L. developed only the most superficial of political strategies with its formula of "rewarding one's friends and punishing one's enemies." Nevertheless, at the turn of the century and for at least a decade of the twentieth century militant labor leaders were active in the Socialist Party whose standard-bearer, Eugene V. Debs, was one of the most colorful figures in the history of American labor.

During the thirties labor thrived under the encouragement of the New Deal whose most attractive planks had been taken from the platform of the Socialist Party and the Social Creed of the Churches. But labor developed only as a pressure group within the major parties, especially of the Democratic Party. From expedient pressure politics to responsible political action on a mature level is a long road. The issue of a labor party cannot, therefore, be dropped. The growth of labor power and the intimate relationships that obtain inherently between economics and politics keep forcing the question to the fore. Labor's dependence on a favorable political environment as well as the moral issue of playing a responsible political role may require the creation of a labor party. Yet, in the immediate future the most that is likely to develop is preponderance of influence within one of the existing parties. So long as organized labor accepts the secular economic and social goals of traditional "free enterprise" its leaders will seek industrial peace within the framework of the American "mixed" economy and will complacently satisfy its ethical functions without responding to the larger challenge of a vocation of total social justice.

CHAPTER V

RELIGIOUS CONCEPTION OF PROPERTY

I.

PRELIMINARY DEFINITION OF PROPERTY

The word "property" comes originally from the Latin word *proprius* meaning one's own. It thus refers to that which belongs to or is characteristic of an individual. In law it is the generic term for rights of ownership and for things subject to the rights of ownership. Property is thus perhaps the most comprehensive term which can be used to indicate and describe "every possible interest which the party can have." Property would seem to be composed of a complexity of elements; the control of man over things, the possession of things, the right of the claim to control, possession, or use, the permanence of the claim, and the interrelations of persons with respect to these factors. When we speak of the control of man over things, we speak in a generic way of man, for we must recognize that man may refer to individual men or to the whole collectivity of men, to mankind in an inclusive communitarian sense. Property has to do with many things, to be sure, with personal property of the most private sort or with real estate, land, natural resources and other gross material objects. But the idea of what is "one's own" has to do with ideas also, with faith or credit, with time, and privilege, and many other intangible values. Property, then, "is a principle which admits of variation in several distinct directions." [1] In all cases the chief distinction is that of control of scarce values, material or immaterial, either for use or for power. The control may be by individuals or by groups directly or through institutions. But in any case it "must in some sort be recognized, in some sort independent of immediate physical enjoyment, and at some point exclusive of control by other persons." [2] Property, then, is not primarily a relation of individual persons to material things, but of rightful claims of persons on each other with respect to some scarce value. It will become clear presently that "private" property is very much a social affair.

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[1] L. T. Hobhouse, "The Historical Evolution of Property, in Fact and in Idea," in Charles Gore (ed.), *Property: Its Duties and Rights,* p. 7. See M. J. Herskovits, *Economic Anthropology,* Part IV, "Property."

As an ethical question, property has to do with scarce values which are means to other ends. My right to the food on my plate, for example, is my right to consume an instrumental value. The eating may have an element of intrinsic enjoyment as well as being an instrumental value in the pursuit of physical well-being, but the food as property is a claim for exclusive use of a means for some end. Thus it is important at the outset of a discussion of property to emphasize its status as an instrumental value. The economic order exists for the purpose of satisfying human needs. This purpose indicates the final criterion as to whether the property-system is responsible or not. It is in relation to these basic needs that rights are defined. The community of needs must be consulted before basic rights can be adequately determined. But the community is an interdependent group of persons each of whom is seeking to actualize himself in reciprocity with all others. We have already seen that this actualization is not an isolated realization of individuals as if they were independent monads of some sort. Man is by nature person-in-community. Returning now to the question of the right of property we must recognize first the general nature of right and then relate property to that conception. A right is a moral claim of the person on the community for some value which is essential to the actualizing of personality, i.e., for the satisfaction of some common need in human nature. Property rights, then, have to do with moral claims of members of a community on each other, or of groups of persons on other groups, with respect to scarce instrumental values.

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[2] Ibid., pp. 7 f.

For property rights to be effectively implemental the community must make them legal, i.e., they are dependent for all practical purposes on government. These rights as legal "exist only because government recognizes and protects them. A particular government may do little more than uphold an already established system of rights but in the longer perspective *it is government that creates property.* Property is not wealth or possessions, but the right to control, to exploit, to use or to enjoy wealth or possession." [3] Behind the legal rights stand moral rights and these are related to the basic needs of interdependent persons.

While the interdependent and common needs of men are quite stable, the manner in which they may be satisfied varies from culture to culture and with man's social organization from age to age. We have yet to see what a culture would concretely be like if the community purposefully set out to reconstruct its life in terms of personality fulfilment. Presumably there would be a marked pluralistic character to such a culture along with security with respect to certain vital minimums. It would combine the uniquely individual with that which is common to all. We must expect changes in the legal system of property rights as the communitarian needs are clarified and defined. The goals of society canalize the wills of participating members. The community as a whole must always reserve the right to modify the mode of property-holding since it exercises a direct organizing function in social life. It is a direct concern of the community through government how the mode of property-holding assigns certain primary relations between man and man, how it places men in positions of relative dependence and power, how it determines the limits of opportunity and of action; for the economic activities of any society through their sheer bulk greatly affect all the rest.[4] Since property rights can be created legally only by government, the primacy of the political order over the economic must be apparent, and it must retain the authority to redefine such rights. This is the reason, therefore, for example, why government cannot yield to the doctrine ultimately of "self-regulation by industry."

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[3] R. M. MacIver, *The Web of Government,* p. 126.

[4] Ibid., p. 127.

We shall survey below a number of the traditional views of property and then relate them to property in the Christian tradition and to the general thesis which we have already indicated. We have noted the distinction between the meaning of property for use, which expresses itself as consumer's goods, and property for power, which refers to producer's goods and the relations of persons and groups to each other in their patterns of control. One of the differences between these two forms of property is that there is a limit to the goods we can consume, but there is no limit to the power that men can express. The lust for power seems to be insatiable in some persons and groups (an expression of poor interior, communitarian and religious adjustment). Hence, it must be curbed and controlled in the interests of the whole. In the political sphere, democracy is the best conceived philosophy and procedure for determining how power is to be divided, shared, and otherwise controlled in the interest of the essential freedom of the person. The challenge confronts our society to make an analogous venture in the economic sphere on behalf of freedom and order.

We have in Chapters II and III noted the nature and motives of labor and management. Work in each sphere is largely cooperative. Wealth is produced through the integration of many factors including the cooperative activity of workers of hand and brain. Therefore, property of this kind is clearly not an individual private affair, but is at once individual and group, the effectiveness of the individual work being dependent on and interpenetrating the total group effort and spirit. Capitalism has largely ignored what socialism has taken note of—the collective personal character of the production of wealth which makes a claim on the community to define the holding of property in ways which do justice to the social character of production. The more carefully one examines the social character of work, the more doubtful it appears that property as power can justly be assigned to a few individuals or corporations to exercise major control over the personal (or even the economic) destinies of the many producers. As modern industry becomes more and more dependent on hired management and hired labor, the more anomalous does the property-for-power in the hands of the few appear. Since many managers are now workers and some workers are managers, the need for new social organization and changes in property rights is obvious, though it may not be obvious what the precise form of the social property should be.

II.

SOME MODERN EFFORTS TO DEFINE PROPERTY RIGHTS

How men should determine just property rights for persons and groups can be partially illuminated by a brief review of dominant modern theories. Property, we have said, is not a thing; it is an institution. If we removed the institution of property, modern civilization would fall to pieces.[1] But as a basic institution it is also a problem, perhaps the most problematic of social institutions. Economic processes are so deeply interlocked and enmeshed in all of culture that they are involved in all the dilemmas of contemporary civilization. The problems of property are not, strictly speaking, separable problems. The full awareness of this fact is an important step in their resolution, for one of the grave hindrances to the solution of property relations problems is the rigidity of ideas which have dominated the subject, especially the tendency to think in terms of exclusive disjunctions.

In surveying theories of property it is noteworthy that the definition of property reflects the writer's own social philosophy as a whole.[2] Some have based their theory of property on first occupation. When political writers of the social contract type were engrossed in speculation on the rights of man in the original state of nature, this idea was frequently appealed to. But the view has serious difficulties. The difficulties of this view are apparent when we review Rousseau's criteria whereby possession becomes ownership: (1) the land shall never have been occupied; (2) only such a quantity shall be occupied as is necessary for subsistence; and (3) possession shall be established not by empty ceremony, but by labor and cultivation. Since the problem of property is the most acute where land is most occupied, this theory does not give us much assistance, for it ignores the problems of the everyday world of common men. It contributes little to such questions as the redistribution of land in Korea and China.

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[1] Eddy Asirvatham, *Political Theory* (4th ed.), p. 161.

[2] See ibid., pp. 161-173 for a brief useful account. The standard literature is quite extensive and overlaps the whole field of economics and law. Herskovits, *Economic Anthropology*, Chapter 14, summarizes much current discussion.

Some hold to the legal theory which ascribes to the civil law both the legal and the ethical basis of property. Bentham held that property and law are born together. "Before laws were made there was no property; take away laws and property ceases." This is, at best, a half truth; and historically it is a dubious view. Moreover, the legal approach may be manipulated for both reformist and conservative tendencies, as contrast Bentham and Hume. While law and police protection give property owners a certain sense of security in their possessions, the law is never a principle of ultimate justification. To appeal to positive law alone is to appeal to might. The authority of law must be deeper than legislative enactment. On the whole, law tends to be on the side of present inequalities. Indeed, the law is a party to establishing them.

Bentham and the Utilitarian School went beyond the legalist view which we have just noted. For the Utilitarians the rights of property spring ultimately from their tendency to promote the public good. The criterion of social effects has had a great vogue since Bentham's time. But the criterion is not self-evident by any means and requires the general notion of the well-being of society before the consequences of the institution of property can be measured. This, in turn, requires a general theory of ethics of a teleological type and places the question of property within the field of the ethics of qualitative evaluation, far removed from the quantitative hedonism of Bentham's own calculus.

A third type of theory of property is the labor theory. This view, following Locke, holds that a man's rightful property is that with which he mixes his labor. Locke thought, no doubt, of the appropriation of new land in the American colonies. Locke limited this to the two considerations (1) that there be enough and as good left in common for others after land has been appropriated and (2) that a man's right to the fruits of his labor is determined by his power to use.[3] Locke's view suffers from many of the difficulties of the occupation theory. Its weaknesses of self-contradiction have frequently been noted. Moreover, origins have nothing to do with the problems of determining property rights in the complex dilemmas of modern urban and rural life. Yet the labor theory has fed the springs of both individualistic and Marxist conceptions. It is generally recognized today that labor does not create all values. Even if it did, the complex cooperation of modern division of labor "baffles any attempt to assign to each man the precise share of the final product that is indubitably his." The social process creates many values in its myriad interactions of social changes, and many of these are not the direct product of work, as the author of *Progress and Poverty* was well aware. Locke's view contradicts any idea of inheritance. Both the proponents and critics of the labor theory of value have insufficiently appreciated the ambiguous character of labor. Contemporary slogans to the contrary notwithstanding, labor is a commodity in our economy, though it is more. It is a commodity as well as a creator of commodities. But the laborer is a person and as such is not a commodity. Man being both an instrumental value and an end in himself transcends the labor theory conception of his claims on property. It does, however, point to the claims of justice with respect to the person of the worker and as such has played a significant role in proletarian movements.

Locke's view influenced both individualistic and socialistic theories. An important individualistic view holds that each man should be left free to acquire all that he can in the open market and do what he pleases with that acquisition. This view is so discredited today, even in the United States, that its advocates are driven into silence or have retreated from the field taking their principles with them. In a period of production and marketing dominated by giant firms, the theory has a hollow sound. It violates the interdependence of men for it fails to take account of the fact that property involves the power of one person over another. It is also self-contradictory, for the consequence of doing as one pleases with one's acquisitions contradicts the process of open markets. This individualistic ideal of traditional American economic justice has bred resentment, contempt and ideological warfare all over the world. In recorded history there has never been equality in the market places. Free competition remains as a kind of general ideal in some economic thought as over against monopoly, however.

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[3] John Locke, *Two Treatises of Government*. See H. Rashdall, "The Philosophical Theory of Property" in Gore (ed.), *Property: Its Duties and Rights*, pp. 44-50. R. M. MacIver, *Web of Government*, pp. 127-130.

We come now to socialistic theories. By and large socialism is not opposed to private property for use, but does oppose private property for capital or for exploitation. Many democratic socialists advocate a mixture of social control over private capital with outright community ownership and management of the principal means of production and distribution. This view, together with that of Russian Communism, is at the storm center of contemporary problems of property. Just as there is no pure capitalistic individualism and completely free competition anywhere in the world, so there is no pure socialism. The criticism chiefly urged against socialistic theories is that socialism entails loss of freedom for the individual to the omnicompetent state. We shall consider this issue more fully below. Democratic socialism recognizes that property for use and property for power are closely related to the problems of community planning by and for the people. It takes a socially functional view of commodities and tends to measure the economy in terms of general welfare including the needs of persons in all aspects of their fulfilment. Many socialists believe that economic governance of the people and by the people will enhance both welfare and freedom for the people.

The communist view in its extreme and pure form (not to be confused with the currently operating order under Stalinism) attacks the institution of private property in the most radical way. Rigid community control is exercised both in production and distribution and even private consumption of goods is rigidly circumscribed. In the Marxist formula, borrowed from the New Testament perhaps unknowingly, the principle is: "From each according to his ability; to each according to his needs." The ideal is to pass through the stage of state socialism where the above mentioned controls are rigid to pure communism in which the state has "withered away" and in which there will be no class exploitation. We shall devote the succeeding chapter to an analysis of the Stalinist form of proletarian power and communism.

Finally, we may note the idealistic theory. Philosophers like Kant accepted private property because it was viewed as necessary for the realization of man's will. This conception was greatly developed by Hegel. Property does not rest basically on contract or force but is an instrument of self-expression and satisfaction. Property is an aspect of the objectification of will in the realization of freedom. Property is regarded also as a trust and hence is relative to the common weal. As Asirvatham points out, commenting on Rashdall, the idealistic theories raise the problem of property from the plane of economics alone to the plane of personality.[4] The general tendency of the idealistic approach in Hegel, Green, Bosanquet, Ritchie and others is to judge the institution of property and its various forms by the criterion of whether it tends to promote for the whole community a well-being which is not to be identified with hedonism, but which includes the development of sound character, intelligence, and responsibility as well as pleasure. Not the same system of property-holding will be the best for every time and place. Idealistic tendencies have readily fused with those of democratic socialism and of a mixed economy in Anglo-Saxon countries.

The idealistic tradition with its emphasis on personality and community, its raising of the economic realm to the level of ethical theory, its facing of the criteria of the social order in terms of well-being including freedom, approaches the religious level of analysis which we noted in our opening chapter. We shall turn again to this religious tradition in the West for additional perspectives on the idea of property and its practical aspects.

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[4] Eddy Asirvatham, *Political Theory* (4th ed.), p. 173.

III.

ETHICAL PERSPECTIVES IN THE JUDAEO-CHRISTIAN TRADITION

In the Old Testament tradition property is referred, like all other created things, to God the Creator. All that a man can call his own is a gift from God, to be held as a trust for God's own uses. As Vernon Bartlett puts it all "property" rights "are purely relative, derivative, conditional in the presence of God's sovereign overlordship of all He has produced, and is still producing. . . ."[1] God is the real owner; man is his steward. At no time is man to forget his Lord who has given him all good things. Next to this idea is the principle that as a gift from God, property is good.[2] The ascetic denial of property is not characteristic of the Old Testament. Indeed, the idea of material reward for virtue is generally present throughout the period. There are exceptions in some Old Testament writings which show a deeper insight than the view that poverty is an affliction for evil. Yet always God's gifts are viewed as good.

The goodness of God's created goods is not restricted to individual welfare but to group welfare. Writers like Bartlett and Taylor emphasize that the family ideal of common possession is persistent. Modern notions of private property are not Biblical. "Patriarchal wealth could be called either 'private' or 'communal,' in the sense that the patriarch controls but the family as a whole uses it. Individual members may have a few clothes or a few jewels, but for the most part 'individual *use* and paternal *control* were combined with common *possession*' and a strict division between 'private' and 'communal' property is impossible in the Bible." [3] There are several sets of laws in the Old Testament which arose to reinforce the communal welfare principle which is the familial principle of mutual responsibility.[4]

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[1] Charles Gore (ed.), *Property: Its Duties and Rights*, p. 92.

[2] Charles E. Taylor, in Fletcher (ed.), *Christianity and Property*, p. 14.

Still another significant Old Testament idea is that which Dean Taylor phrases as follows: "no selfish aggrandizement at the expense of others." The social reform movements of the days of the prophets grew out of protest against a worsening in economic conditions in the Northern and Southern Kingdoms. There had taken place a drift from relatively equal ownership under ancestral law to newer Baalistic principles of commerce, to losses due to foreign invasion, to the exploitation of the poor by the rich, and the decline of the free peasantry. The prophets viewed the rise of a landless and dependent class, amounting at times to virtual slavery, as a violation of the nation's covenant with God and disloyalty to the principles of the Exodus. Amos, Hosea, Isaiah and Micah witness for social justice as the essence of true religion and cry out against the oppression of the weak by the stronger. Thus, while property is viewed as a good gift from God, the maldistribution of land is viewed as a sin against Him. "Woe unto them that join house to house, that lay field to field, till there be no place, that they may be placed alone in the midst of the earth!" (Isa. 5:8). The prophets were aware of the power in property and protested the unjust use of such power.

A final leading conception is "that man does well to forego what might contribute to his own glory for the sake of his neighbor, and that even in the loss of property he can find a greater profit with God. In other words, service and self-sacrifice are better than wealth." [5] Here the prophetic idea is deepened by a profound conception of

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[3] Quoted in ibid., p. 17.

[4] Deut. 15:1 ff; 12 ff; Ex. 23:10 ff; 21:2; Jer. 34:14-17; Lev. 25:13; Ezek. 46:16-18.

[5] Taylor, in *Christianity and Property,* p. 27.

God's nature and man's possibilities of God-likeness. The great exilic and post-exilic figures held to the prophetic idea of social righteousness in economic relations and tested rites and festivals by social action. By moral suasion Nehemiah induced the wealthy to restore lands and houses to expropriated poorer brethren (Neh. 5). In Isaiah 58:3-8 we read: "The fast is worthless when the worshipper oppresses his laborers . . . ; let the oppressed go free, to feed the hungry, to house the outcast, and to clothe the naked."

In the teachings of Jesus this Old Testament background is largely taken for granted. There is little specific instruction on property as such. His teachings apply only indirectly from his primary message of the Kingdom of God. He confronted individual men and the nation with the will of God and the imminence of the coming of the Kingdom. When he rebukes scribes for devouring widows' houses and the Pharisees for extortion he seems to assume that the holding of property is legitimate. At the same time he stresses the dangers of possessions as diverting men from the singleness of heart that the kingdom demands. Men are deceived by riches and are easily related to them by false attachment. "The cares of the world, and the deceitfulness of riches, and the lusts of other things entering in, choke the word, and it becometh unfruitful" (Mark 4:19). "Ye cannot serve God and mammon" (Matt. 6:24). Property is one of those institutions which like the Sabbath is made for man. In the eyes of God men are of greater value than other creatures and sacred institutions. Thus property rights are secondary or tertiary, being subordinate to the needs of men and to the rights of persons as persons. In Matthew 25:31-46 Jesus describes the great judgment when the nations shall be gathered together and divided according to their service to human need. Jesus stayed very close to the fulfilment of human need under the primary loyalty to the love of God and called forth a community which sought to live in the power of love overcoming legalism.

The early Christian community was deeply impressed by the love ethic of Jesus and some of them expressed it in a form of communism. This was a "religious communism of love," uncoerced. It was a communism of distribution and presupposed the rightness of individuals to possess their property prior to their pooling it. Moreover, it did not spread everywhere with the growing church and did not endure for long even in Palestine. Behind it is that same sense of stewardship to God and concern for others which everywhere manifested itself in almsgiving. The early Christians were not reformers; they did not attack the property-systems of the Roman Empire; they put all property into the subordinate position into which Jesus had placed the sacred Sabbath. In James we note the sharp ethical equalitarianism which refuses to carry the status system of the secular world into the fellowship of the church. The problem of the rich is also touched on in I Timothy 6:17-19, where they are exhorted not to trust in riches but in the living God.

A good summary of early Christian teaching is probably that in *The Preaching of Peter* written in the second century: "Rich is that man who pities many, and in imitation of God bestows from what he hath; for God giveth all things to all from His own creatures. Understand, then, ye rich, that ye are in duty bound to do service, having received more than ye yourselves need. Learn that to others is lacking that wherein you superabound. Be ashamed of holding fast what belongs to others. Imitate God's equity, and none shall be poor."

Clement of Alexandria raises the question, "Who is the Rich Man to be Saved?" He does not shut out rich men as such from the kingdom but he does point out the grave difficulties which beset the rich man in the path to eternal life. He emphasizes the primacy of motives and the attitude of the will. Clement seems to favor the doctrines of the happy medium between riches and poverty. The experiments in complete renunciation of property which some Egyptian monks attempted both on an individual basis and in communities are instructive because they illuminate the problems of what difficulties are involved in literally taking renunciation as the way of life.[6] Different is the trend in the later Benedictine monastery where the individual monk must surrender all his property rights, but the ideal is not that of destitution. Through common ownership the monastery makes adequate though frugal provision for the needs of its members.

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[6] See Edward Roche Hardy, Jr., "The Way of the Early Church," in Joseph Fletcher (ed.), *Christianity and Property*, Chapter 3.

Outside the monastery the Roman Church emphasized surrender of property less and almsgiving more. At the same time there was also present a Stoic influence which combined with Christianity to find in the "state of nature" a kind of primitive communism, private property being regarded as artificial. Thus for Saint Ambrose there are ultimately no private things: "Nature has poured forth all things for all men for common use. God has ordered all things to be produced, so that there should be food in common to all, and that the earth should be a common possession for all. Nature, therefore, has produced a common right for all, but greed (*usurpatio*) has made it a right for a few." [7] Dr. Hardy points out that the practical significance of Ambrose's theoretical communism must not be overemphasized, for in his work as practical administrator he seeks to preserve the property of the church and is critical of tendencies which cause people to rejoice at scarcity and mourn at plenty. Lactantius, like the Roman lawyers, treats of property as a natural right, but argues that if all men were just and generous, the needs of all could be met without communism.[8] St. Augustine differs here from Lactantius and holds that specific property rights are purely of positive law. His view was very influential in the Middle Ages. He seems to have been quite indifferent to worldly goods. In the Rule of Saint Augustine he enforces the monastic principle of community of property, out of which adequate provision will be made for all. St. Basil, to cite another church father, compares the rich to so many occupants of free seats in a theater. St. Chrysostom stresses frequently the vanity of wealth and the needs of the poor. In one place he urges a system of Christian socialism modeled on the Jerusalem precedent. The church in this period was becoming a landowner. It did not abolish slavery, though it encouraged manumission and attacked the oppression of tenants. The church respected the artisan, but regarded the merchant with suspicion. It awaited the days of the revival of trade and even of later Calvinism before a positive value was to be placed on commerce and capitalism. Generally speaking, Christianity dealt with property more as a problem of *use* than a problem of *power.*

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[7] Quoted from *On Duties of the Clergy* and cited in ibid., p. 63.

[8] Ibid., p. 65, see C. J. Cadoux, *The Early Church and the World*, pp. 600-610.

In the feudal period land was the foundation of the economy and the teachings of the church accommodated themselves to that fact. Property in the Middle Ages consisted mainly of personal and household goods and the landholdings, but these were by no means like modern real-estate. The system was one of status and tenure with the emphasis on right to *use*, not on the right to dispose of land as one pleases. The mediaeval system of feudalism defies simple definition, but the crux of the matter for our purposes is that it comprised a complex pattern of interpersonal obligations and a hierarchical pattern of rights with respect to the use of land. Immemorial custom mixed with practical problems of duties of vassals to their lords according to what Wycliffe later defined as *dominium*, a concept which had already been developed along conservative lines by St. Thomas Aquinas.

Aquinas holds that by natural law man has a right to use "external things" as if they were made for him. Yet, according to natural law there is no distinction of property; all such distinctions are the result of arrangements by man according to positive law.[9] Within this framework it is important to note that Aquinas held it lawful to possess property (1) "because man is more solicitous in procuring something that will belong to him alone than something that will belong to all or many, for everyone tries to escape work and will, therefore, leave to others what should be produced for the community." (2) "Human affairs are more orderly if to each belongs the proper care of something, for confusion would arise if each looked after everything indiscriminately." (3) "Human society is . . . preserved in greater peace so long as each is content with his own." It appears from all this that property is a relative value and results not so much from man's true ability or perfection but is rather a result of his sinful and fallen state in which man is lazy, greedy and belligerent. Presumably in an "unfallen" world human beings would find no necessity or reason for the exercise of the natural right of private property.[10] There is in Aquinas, moreover, no apparent distinction between "producers' goods" and "consumers' goods." Interest on loans was regarded as avarice, for money is sterile. Mediaeval thought here follows Aristotle. Says Rashdall, it never occurred to Aristotle that though money does not breed, it will buy a cow which does breed.[11] Yet in Aquinas adjustments were being made in discussions on lending under other captions than usury, for the practical affairs of the church were becoming more and more involved in the hands of the papal-sponsored Lombards, the forerunners of the later banking business. We are not, therefore, to find strict consistency in the church's doctrine of property. This was largely due to the fact that it was accommodated to the whole secular order on one level while it maintained the ideal of perfection on another level of its ethic. It was a landowner and treated its peasants like other feudal authorities; it practiced communism in its monasteries but denounced it where civilians attempted it outside; it found it necessary to adjust to the emerging realities of trade, commerce and town life; and it tried to maintain the idea that the exercise of private property rights is not necessary, but only a social expedient under contemporary circumstances. The perfect Christian lived a life of non-attachment, while possessions are a concession to sin.

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[9] *Summa Theologica,* II. 11.2, ad 1 m, quoted in Fletcher, op. cit., p. 86.

The standpoint of the Reformation has already been touched upon in earlier chapters. We may note briefly, however, that Luther and Calvin made property a problem of the first principles of human redemption. Paul Lehmann contends that the wrong in property according to the Reformers is discoverable in the following proposition: "The relation of belonging goes wrong whenever the right of possession and the right of use fail to correspond." There is a corollary to this: "The right of possession and the right of use fail to correspond whenever the right of possession determines the right of use; accordingly, the restoration of this correspondence requires that the right of use shall determine the right of possession." [12] The problem is thus one of the right disposition of goods. Since, then, property is a problem of Christian faith and redemption depends on justification by faith, property is related to man's fallen nature and the world of sin. The possibility of properly using material things has to do with faith in God and God's grace through Christ. This becomes a problem of the new order of salvation in the church. "Justification is the basis for the hope and the resource of meaningful life in the midst of continuing sin." [13] The church therefore must deal with the issues of property as with all other earthly life in the interim between the resurrection of Jesus Christ and the Final Judgment. In this perspective any claim of the economic sphere to be autonomous is rejected.

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[10] See F. H. Smyth, "The Middle Ages," in Fletcher, ibid., p. 87.

[11] In Gore (ed.), op. cit., p. 38.

In most of what they had to say Luther and Calvin were mediaeval in outlook. Yet they did not resist the new *status quo* of their day in principle. And capitalistic modes of life were already well advanced in many parts of Europe in the sixteenth century. To these issues they brought a Biblical perspective as well as a doctrine of the church. In terms of this latter point they opposed the sects, especially left-wing sectarianism, with its radicalism in economic point-of-view and its subjectivistic piety. The net result of their thinking was that ownership of goods is a legitimate condition of man's life in a world that belongs to God, and yet, ownership is not the exclusive right of possession. Lehmann contends that according to the Reformation the right to use determines the right to possess, while for capitalistic theory the right to possess determines the right to use. "Rightly understood, possession is in order to use--use is not in order to possess." [14] But the problem of use is part of the problem of vocation and this brings us back to our earlier discussion of that problem.

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[12] In Fletcher, op. cit., pp. 101 f.

[13] Ibid., p. 102.

[14] Ibid., p. 114.

It also leads us to the questions of the transitions of Calvinism in subsequent centuries to accommodation and support of the bourgeois order of life. The reader is referred back to these sections of the book.

IV.

PERSISTENT ISSUES IN CURRENT CHRISTIAN THOUGHT

The relative character of property rights is manifest, as we have seen, in the history of Christian thought. Even where the greatest concessions have been made to private property the notions of stewardship and philanthropy as part of justice, and the demands of community need, have been affirmed. In current thought we may profitably survey the ideas of Leo XIII and Pius XI for official Roman Catholic views and the conceptions of E. Brunner and W. Rauschenbusch, for contemporary Protestant views. There has been a dearth of Protestant writing on the explicit topic of property. *Property: Its Duties and Rights* edited by Bishop Charles Gore and Joseph Fletcher's historical symposium, *Christianity and Property*, are almost exceptional, though we should not entirely overlook *The Christian Demand for Social Justice* edited by Bishop William Scarlett.

Catholic thought as represented by Leo XIII and Pius XI roots in the doctrine of natural law. "Everyman has by nature the right to possess property of his own."[1] Leo XIII thus placed the right of private ownership outside the state and thereby attempted to defend private property rights against certain socialists of his time. This doctrine, it was held by his opponents, put the church on the side of the wealthier and exploiting classes. To meet this objection Pius XI expounded "the twofold aspect of ownership, which is individual or social accordingly as it regards individuals or concerns the common good."[2] Though holding, as his predecessors had done, that private property was given to man by nature or rather by the Creator himself, Pius XI wished to avoid a double danger. "On the one hand," he argued, "if the social and public aspect of ownership be denied or minimized, one falls or comes near to falling into Individualism, as it is called; on the other hand, the rejection or diminution of its private and individual character necessarily leads to some form of Collectivism, or something approaching it." [3]

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[1] Leo XIII, *Rerum Novarum*, par. 5.

[2] *Quadragesimo Anno*, par. 45.

The correct balance between private and social aspects of property is sought in distinguishing between the *right to* and the *use of* property. Leo XIII combined his natural law argument with a kind of labor theory of value vaguely reminiscent of Aquinas and Locke. The motive of work is to obtain property, to hold it as his possession, and to dispose of it as he pleases. When a man hires out to another he thereby "proposes to acquire a full and real right, not only to the remuneration, but also to the disposal of that remuneration. . . . It is precisely in this power of disposal that ownership exists." [4] "Now, when man thus spends the industry of his mind and the strength of his body in procuring, by that act he makes his own that portion of nature's field which he cultivates—that portion on which he leaves, as it were, the impress of his own personality; and it cannot but be just that he should possess that portion as his own, and should have a right to keep it without molestation." [5] Leo XIII went on to argue that the chief function of the state "is the safeguarding, by legal enactment and policy, of private property." [6] Leo's labor theory is open to all the difficulties of that view which we cited in connection with Locke's theory. He modified it, however, by saying that the right to possess is not the same as the right to use as one pleases. These rights he, and especially Pius XI, placed at different levels of justice, the one commutative, the other social justice. These are never fully harmonized by the Popes with each other.

Pius XI recognized the power of the state in ownership because of its social aspects. It is the function of government to define the social duties of ownership when need arises and when the natural law does not do so.[7] The emphasis is on the definition of *use* of possession by the state, but it is clear that in actual cases these definitions involve the *fact* of possession itself, otherwise there could be no control of distribution by the state, which he advocates. He argues, following Leo, that the state has only the right to regulate the use of property in the interest of the public good, but no right "to abolish it altogether." The difficulty here seems to be that Pius XI has no adequate doctrine of the communitarian natural right to property, but only an individualistic natural right doctrine. Moreover, the labor theory aspects of the view fall into the background and a social need emphasis takes its place. He argues, for example, that "the only form of labor which gives the workingman a title to its fruits is that which a man exercises as his own master." [8] This doctrine keeps the worker in his place. On the other hand, Pius XI argues that the wage which a man receives must be such as will support a family.[9] The conception of social justice on which this family doctrine rests has its roots quite outside the grounds of property which we have been considering.

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[3] Ibid., par. 46.

[4] *Rerum Novarum*, par. 4.

[5] Ibid., par. 7.

[6] Ibid., par. 30.

What this Catholic theory of property lacks is a critical modern doctrine of *property for power*. It stops at the mediaeval distinctions of *possession* and *use* and employs even these in an essentially conservative manner.

We turn now to the contemporary Protestant thinker Emil Brunner whose work, *Justice and the Social Order*, has had so much influence in recent years. He grounds the right or justice of property in the right to freedom. The power to dispose freely of one's body and limbs is a right given man by God's creation; so also property. "The man who has nothing at his disposal cannot act freely. He is dependent on the permission of others for every step he takes, and if they so wish, they can make it impossible for him to carry on any concrete activity. Without property there is no free personal life. . . .

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[7] *Quadragesimo Anno,* par. 49.
[8] Ibid., par. 52.
[9] Ibid., par. 70.

Collective ownership can never replace the value of private property in terms of freedom. Where I have no right of disposal, I have no free scope. For somebody who is not myself has the right of disposal over collective property, be it the corporate body, the union I belong to, or the state . . . all that collective property means is that in a certain domain—the domain of collective property—certain incontestable rights are granted to each individual. But it gives him no actual right to dispose of that property. Yet without something over which he has the right of free disposal, man cannot be free." [10] The lack of personal property is largely responsible for the reduction of the proletariat to an impersonal mass.

The doctrine that there is no freedom without property does not imply, says Brunner, that private property is a "purely individual concern in the sense of being absolutely private property, nor that only private property is just." [11] His argument for conditioning or grading property is instructive. Property earned by work is the most natural kind since it is most closely bound up with the person. Although what a man has earned belongs to him, a further principle holds good, namely, that under God no property belongs to man unconditionally. "With respect to other men, man is an owner, he has plenary control over what belongs to him. With respect to God he is always a steward, a man with an account to render." Brunner then concludes with an amazingly conservative judgment: "He is obliged, not by justice, but by compassion, to give to those in need out of what is entirely his property, but those in need have no right to it." This conclusion is modified, however, by a further observation: "All property, from the standpoint of justice, is held subject to the reservation of fellowship," since all property is acquired under conditions which the acquirer has not himself created.[12] These conditions include the protection of the state and the interactions of the whole civilized world.

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[10] E. Brunner, *Justice and the Social Order* (New York: Harper & Brothers, 1945), pp. 59-60. Brunner's view makes contact here with the general stream of modern philosophical idealism.

[11] Ibid., p. 149.

[12] Loc. cit.

Although Brunner is almost as individualistic as the popes in his basic conception of property, yet he stresses much more the communitarian nature of economic goods and the contribution which the community makes to the creation of wealth of all kinds. He recognizes, moreover, that the greatest problem of ownership, so far as justice goes, is the relation of "great possessions" to economic power over other men. "Present-day inequalities in wealth are unquestionably unjust because they are founded less on a greater achievement—whether in work, thrift, or enterprise—than on the privilege conferred on the possessing class by the contemporary form of economy." [13] At the same time it is clear that for Brunner economic justice does not imply equality but compensation.

As in the case of Leo XIII and Pius XI, Brunner tries to find a way between individualism and communism without surrendering the property rights which freedom requires. "The guarantee of a just economic order does not reside in the abolition of freedom which is inseparable from private property, but in the community's limitation of the right of disposition by the requirements of justice." [14] The just economic order, however, is not the capitalist's idea of complete individualistic laissez-faire, but, on the contrary, involves in our day the principle of economic planning. Brunner is aware that state intervention is necessary even if only to safeguard the freedom of the market. But he goes further than this. Economic planning is necessary both in the interests of freedom and in interest of the genuine supply of necessities.[15] Moreover, the power challenge of big business must be met. What a just order requires for the community as a whole "is planning in the service of freedom and in the service of the welfare of the community." [16]

Of all the American representatives of social Christianity none made a greater impression at home and abroad in the first quarter of the twentieth century than Walter Rauschenbusch. None has synthesized the gospel of the Kingdom of God, the Christian critique of capitalism, the liberal democratic forces of America, and the social ideals of the common man so thoroughly. R. H. Gabriel, who has studied Rauschenbusch against the background of the course of American democratic thought, summarizes the social gospel trends of his period as follows: "The essence of democracy is cooperation among free men of good will. For Rauschenbusch cooperation implied a socialistic approach to the problems of society. Good will, he thought, stems from that charity of which Paul once spoke to his friends in Corinth. The Christian socialism of the social gospel owed nothing to the materialistic dialectic or the class struggle of Marx. It was the Christian counterpart of that humanism which, in America, began with the Enlightenment, modified evangelical Protestantism, was the core of transcendentalism, became militant in the religion of humanity and late nineteenth-century neo-rationalism, and which found its supreme expression in the democratic faith. When Rauschenbusch contemplated in his imagination that Kingdom of God destined, one day, to become an earthly reality, he saw that it was nothing else than the democratic dream come true."[17] Although Rauschenbusch emphasized the creative possibilities of human nature in his writings and the positive confidence that God's will would be done in history; and while he stressed the positive aspects of the age which could soon come into being, he had neither a merely optimistic view of human nature, nor a belief in inevitable progress, nor a lack of understanding of what Marx so realistically analyzed. No one has made more explicit than he the duty and the power of Christianity both to reform the social order and to redeem the individual. This he did without sentimentality or utopianism. A careful appraisal of his thought indicates that he was aware of the personal and the social sources of evil, though, like most pioneers, he emphasized those elements which he felt had historically been neglected.

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[13] Ibid., p. 156.
[14] Ibid., p. 179.
[15] Ibid., p. 180.
[16] Ibid., p. 182.

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[17] R. H. Gabriel, *The Course of American Democratic Thought*, p. 330. Walter Rauschenbusch, *Christianity and the Social Crisis* (1907); *Christianizing the Social Order* (1912); *A Theology for the Social Gospel* (1916).

Rauschenbusch was keenly aware of the twofold aspect of property as use and as power. He noted that the new powers of production had gravitated into the hands of a relatively small group of owners and controllers. The impersonal corporation had accumulated a proportion of power which inevitably leads to injustice, human nature being what it is. Industrial power of such proportions is a solicitation to evil to which human nature ought never to be subjected. The profit system, he noted, makes for opposing classes and class conflict. The quest for profit collides with the higher interests of humanity and tends to override them. Since the system has been in force for a long time it has molded the laws and policies of all industrial nations and has even deeply impressed itself upon the ethical and religious ideas of the world.

As over against the competitive "principle" Rauschenbusch lifted the principles of cooperation and responsibility. He held that competition has been exalted to the dignity of an eternal law and thus enthrones selfishness. Actually the reign of competition is a reign of fear, and a reign of fear is never the Reign of God. Any usefulness which it may once have had has now been outmoded. He regarded profit to be immoral. As for the depersonalized corporation, it is a covetous machine. It needs no religion, for even God cannot put a corporation in hell. When Rauschenbusch attacked profit he was not quarreling with legitimate rent, interest, reward for able management, compensation for risk, but with profit as an unearned entity. This profit, he argued, is sometimes taken from employees, and should have gone out in wages; sometimes it is taken from the public by loading on the community expenses which the industry should bear, such as the care of the aged, franchises, pollution of air and water by smoke or waste, and vocational training; sometimes it is garnered by the private ownership of public resources; sometimes it is stolen from consumers through adulterated goods, false measures and labels, misleading advertising and the like; sometimes it is collected from investors through watered stocks, or from the consumer through tariff-protection and patents; sometimes it comes from the unearned increment on land values; and sometimes it comes by a means which takes in many of these, as in the power to levy monopoly profit.[18]

On the constructive side, Rauschenbusch viewed the just society as one of cooperation, of approximate equality among its members, of collective property rights, and democracy. Property must be socialized. This does not mean complete communism, but it does mean the nationalization of those economic resources upon which society rests, like minerals, forests and water power. His was a kind of exploratory democratic socialism, though he nowhere argues for an abolition of all private capitalist enterprise. The spirit of his whole program may best be caught in a paragraph like the following: "We now have such scientific knowledge of social laws and social forces, of economics, of history that we can intelligently mold and guide the evolution in which we take part. Our fathers cowered before the lightning; we have subdued it to our will. Former generations were swept along more or less blindly toward a hidden destiny; we have reached the point where we can make history make us. Have we the will to match our knowledge? Can we marshal the moral forces capable of breaking what must be broken, and then building what must be built? What spiritual hosts can God line up to route the Devil in the battle of Armageddon?" [19] Being a Christian he was less impressed by the evils of the old, than by the creative possibilities of man's future.

Rauschenbusch was undoubtedly working along the correct line, though he did not lift up those evil forces in human life which a less confident generation has emphasized in its neo-Calvinism. The positive power of the Kingdom of God idea which Rauschenbusch presented, is reflected in the practical definition of the Kingdom which a commission of the Federal Council of the Churches of Christ in America outlined in a report published at the close of the First World War. Looking into the post-war period The Committee on the War and the Religious Outlook said in 1920: [20] "It would be a cooperative social order in which the sacredness of every life was recognized and everyone found opportunity for the fullest self-expression of which he was capable; in which each individual gave himself gladly and wholeheartedly for ends that are socially valuable; in which the impulses to service and to creative action would be stronger than the acquisitive impulses, and all work be seen in terms of its spiritual significance as making possible fullness of life for all men; in which differences of talents and capacity meant proportional responsibilities and ministry to the common good; in which all lesser differences of race, of nation, and of class served to minister to the richness of an all-inclusive brotherhood; in which there hovered over all a sense of the reality of the Christlike God, so that worship inspired service, as service expressed brotherhood."

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[18] Walter Rauschenbusch, *Christianizing the Social Order,* passim.

[19] Ibid. See also *Christianity and the Social Crisis,* p. 209.

[20] *The Church and Industrial Reconstruction.* See an exposition in G. Bromley Oxnam, *By This Sign Conquer,* pp. 74-103.

This statement of ideals has been attacked as a typical expression of sentimental or utopian social gospel liberalism. To be sure, it does not dwell on the dilemmas in man and society which resist their realization. Yet it is valuable to express as articulately as possible the goals which the Christian faith inspires. And in a very real way the vigorous presentation of the ideal presupposes an awareness of its actual denial in contemporary practice. Another more realistic and current summary of Christian attitudes towards property may here be cited. It, too, reflects the essential spirit of the Christian tradition and yet has faith in the reconstruction of the social order which modern Christians have added to the Reformation.

One summary statement puts it this way: [21]

"Christians believe that *property represents a trusteeship under God,* and that *it should be held subject to the needs of the community.* No man is the exclusive producer of his wealth; he is therefore not the exclusive sovereign over it.

"Under Christian perspectives, no single current system of ownership adequately fulfils the real purpose of property. Nor is there any warrant, in Christianity or in economics, for assuming that all property must necessarily be held in a single form. In general, property should be owned and controlled according to the unit of production or use most appropriate for the general welfare, whether that unit be an individual, a family, a group of producers or consumers or both, or even a nation. The private ownership of some types of property and the social ownership of other types are not in principle inconsistent with each other.

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[21] "Christianity and Economic Order," No. 7, *Information Service* (Jan. 25, 1947).

"Concentration of ownership over the basic property for production, in agriculture as well as in industry, has greatly reduced the stake of millions of Americans in productive property. The large number of stockholders in American corporations does not offset this fact; though millions of persons hold stock, most of the stock is owned by an extremely small minority, and in larger corporations most stockholders are effectively divorced from real participation or authority in the management of the property. A propertyless citizenry is emerging on the farm and city street, without responsibility or security in the determination of the nation's wealth. For many families the American economy has in effect violated its own traditional emphasis on private property and has dimmed the American Dream.

"In fields where the present forms of ownership are difficult to regulate for the common welfare, encouragement should be given to further extension of cooperative and public ownership, and to the direct ownership of many economic units by all the persons who operate or use them. At the same time vigorous efforts should be made to vest ownership of certain types of property more widely in family units, with special attention to houses, farms, and the like. Experimentation in forms of ownership of the land is especially urgent in a day when millions of tenants and migratory agricultural workers are estranged from the soil on which they labor." These propositions seem to express solid economic and ethical maturity.

V.

PLANNING AND ECONOMIC POWER

The strength of the American economy, we are told, is its dynamic productivity. "In 1900," argues Paul G. Hoffman, "we had 6 per cent of the world's population and 15 per cent of the world's tangible wealth. In 1940, with 7 per cent of the world's population, we had 50 per cent of the world's tangible wealth." [1] On the other hand, its greatest weakness, he says, is its instability. The road to lasting property is "increased production through increased productivity." This is also the leading article in the creed of wealth and property of most American businessmen. What this approach almost wholly ignores is the problem of property as power and the long-run consequences for the economy and to the people in it, as well as elsewhere in the world, of the growing concentration of this power. Here we shall deal briefly with planning and the power problems of the American scene. In the next chapter we shall deal in passing with the proletarian power problem in Russia and then turn to power challenges in the world community.

One of the great problems which appears when we distinguish between property for use and property for power is that there is a limit to the goods we can consume, but there is no limit to the power men can express. The lust for power may be insatiable in some men. Hence it must be curbed and controlled in the interests of the whole community. Democracy is the philosophy of how this power is to be divided, shared, controlled, equilibrated, and rotated in the political sphere without destroying freedom. An analogous challenge confronts us in the economic sphere. How can economic stability, vital necessities, elementary security, freedom and initiative be conserved?

The degree of freedom that can persist is determined and measured by the degree of responsibility with which group economic power is exercised. This is a moral principle, but it is also a statement of objective cause and effect.[2] Eight major aspects of the use of economic power present themselves.

1. Economic power must be organized so as to meet human needs, providing basic physical and social security, and taking a broad

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[1] "A Critique of American Capitalism," in William Scarlett (ed.), *The Christian Demand for Social Justice*, p. 66.

[2] John M. Clark, "Free Enterprise and a Planned Economy," in Scarlett, ibid., p. 51.

view of the values which must be conserved. Measuring an economy by such goals places questions of property in their proper secondary position. Efforts to state general economic goals are common today. A variety of goals and observations on them have in recent years been presented by leaders like Moulton, Hoffman, Clark, Lilienthal and by the National Resources Planning Board. Dr. Harold G. Moulton, president of Brookings Institution, states what he regards as the major economic goals of the American people: (1) "a progressively larger total national income," (2) "a progressively wider division of national income," (3) "a society in which individual rewards are based primarily on work performed," (4) "increasing economic security," (5) "the greatest possible development of the capacities of every individual," and (6) "opportunity for every capable individual to earn his own income." [3]

There are many people today in business, in labor, in government who realize that an economic system must be judged by the way it affects people, what it does *for* them and *to* them. Paul G. Hoffman, writing while chairman of the Committee for Economic Development, placed under what it does *for* people all the things that make up a decent material standard of living. Under what it does *to* people he asks whether it gives them a chance to grow, to have a stimulating life, to be happy in their work, to feel important to the scheme of things, to get along well with each other, to have a chance to read, to worship in freedom, to hear music, to create music and be creative otherwise.[4] These two sets of goals largely overlap. Others could be cited of a similar character. John M. Clark would specify in addition: (a) reasonable protection against insecurities, recognizing that some degree of uncertainty or insecurity is inseparable from freedom; (b) a system that recognizes the dignity and worth of the individual, and affords him economic relations, and human relations within his economic relations, which are "consistent with his worth and dignity; (c) individuals who recognize the duties and responsibilities that go with their rights; and (d) a system of orderly and evolutionary change." [5] Barbara Wooten writing from a background of English social economy says: "The values that matter are happiness, freedom, security, and the fulfilment of individual personalities in harmony, not in conflict, with one another." [6]

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[3] See Harold G. Moulton, *Controlling Factors in Economic Development* (Washington, D. C.: The Brookings Institution, 1949), summarized in *Information Service* for Oct. 15, 1949.

[4] "A Critique of American Capitalism," in William Scarlett (ed.), *The Christian Demand for Social Justice*, p. 61.

Yet another group of goals has recently been offered by David E. Lilienthal.[7] His is a six-point program of "functional characteristics": (1) Despite business bigness which is not inherently a curse the society should be vital, fluid, changing, enterprising and competitive. Mobility and a national market for new products are good. (2) Speed and efficiency. (3) Diversity. "We want room for big and small business (regarding both as indispensable, and one complementary to the other); for public and private ownership; for profit and non-profit enterprise—all functioning alongside one another." (4) A rational, stable economic-social system which conserves resources and stresses such security as labor and investors need. (5) Responsiveness to public interest and will, "a preoccupation with what the customers and employees and the public want is the current measure of good business management." (6) An ethical society, i.e., one that is fair and humane. This includes acceptance of the right of collective bargaining, progress toward elimination of work, discrimination because of creed, color or race, long hours of labor, and dangerous, exhausting and onerous conditions. What we describe as a responsible and mixed economy seems to be also Lilienthal's goal. Bigness of itself may not be wrong, but the just organization of power with big labor, big business, big agriculture and big government is a challenge to the democratic spirit.

All of the above values are found in the "New Bill of Rights" formulated by the National Resources Planning Board as a guide to postwar national policies:

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[5] Ibid., p. 48 f.

[6] Barbara Wooten, *Freedom Under Planning*, p. 127.

[7] "The Kind of Nation We Want," *Colliers* (June 14, 1952), pp. 22-23.

1. The right to work, usefully and creatively through the productive years;
2. The right to fair play, adequate to command the necessities and amenities of life in exchange for work, ideas, thrift and other socially valuable service;
3. The right to adequate food, clothing, shelter and medical care.
4. The right to security, with freedom from fear of old age, want, dependency, sickness, unemployment and accident.
5. The right to live in a system of free enterprise, free from compulsory labor, irresponsible private power, arbitrary public authority and unregulated monopolies;
6. The right to come and go, to speak or to be silent, free from the spyings of secret political police;
7. The right to equality before the law, with equal access to justice in fact;
8. The right to education, for work for citizenship and for personal growth and happiness;
9. The right to rest, recreation and adventure, the opportunity to enjoy life and take part in an advancing civilization.

To clarify its economic goals is part of the nation's religious vocation. As it clarifies its goals it will redefine its personal and social conceptions of property rights and duties.

2. A responsible use of economic power involves not only a table of needs but also a comprehensive accounting of social costs.[8] In the conventional calculations of enterprise there are a number of costs which are not usually listed in annual reports for production and distribution. Many of these must be faced, however, in computing the total costs of our economic system. There are costs in terms of

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[8] See Jacob Viner, "Social Costs," in *Encyclopaedia of Social Science;* J. A. Hobson, *Work and Wealth* (1914); Arthur C. Pigon, *Economics of Welfare* (1920); John M. Clark, *Preface to Social Economics* (1936).

waste of soil and other natural resources. There are costs like air pollution which in one city was computed at ten million dollars, not counting impairment of health. There are costs to communities when industries leave; the waste of labor and capital in duplication and inefficiency in retailing; the costs of poor or no planning for urban land use.[9] Professor K. William Kapp in his recent study has undertaken a comprehensive analysis of the social costs of private enterprise.[10] We can indicate here only the range of the problems which are covered such as the social costs resulting from the impairment of the human factor of production; from air and water pollution; for depletion and destruction of animal resources; from premature depletion of energy resources; from soil erosion, soil depletion, and deforestation; from technological change; from unemployment of idle resources; from monopoly; from uneconomic features of distribution such as duplication of outlets, advertising and other forms of sales promotion; from transportation wastes; and from the frustration of science in medical, biological and social fields.

Kapp regards the struggle for a more equal distribution of social costs or their prevention and the shift in the balance of power from those groups who have been responsible for initiating economic change to those who have borne the brunt of social losses in the past as "nothing but an integral part of the general expansion of democracy." Kapp's point of view is a definite contribution to the art of economic responsibility and to science when he says: "The new concepts of wealth and production will have to be defined in such a manner as to include also non-market values. Indeed, wealth consists not merely of goods and services which are traded in markets; it includes all values and utilities irrespective of whether they can be exchanged and evaluated in terms of exchange values. And, correspondingly, production refers to the creation of everything that is considered useful and valuable, whether exchangeable or not exchangeable, privately appropriable or socially beneficial. . . ." "By including social costs, social returns, and social value within the range of its analysis, economic science would become 'political economy' in a deeper and broader sense than even the classical economists conceived . . . , and would at last prove its status as a system of knowledge concerned with the study of the nature and causes of the value of nations." The analysis of social costs deepens and broadens the conception of property.

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[9] *Information Service,* 29 (Dec. 9, 1950), No. 40.

[10] K. William Kapp, *The Social Costs of Private Enterprise.*

3. Property sustains an important relationship to freedom. Freedom is a unity of liberty and restraint. Freedom and order have a dialectical relationship to each other within the larger whole of the community. Private property in some consumer's goods is undoubtedly an important constituent of personal freedom. This demand for freedom can probably be extended in a limited way to property for power in production. But, in any case, freedom is not the absence of restraint; it involves in every sphere the calculation of what combinations of liberty and restraint will provide voluntary wholeness.[11] The freedom to bargain collectively does impose a legal restraint on employers with respect to some activities, but that legal restraint does open the door to some economic freedom. Real freedom which goes beyond formal rights involves responsible policies and planning for the economy as a whole. Freedom and social control are not contradictories, they are interdependent. The problem is not to get rid of government in business, but the right use of government.

It may be forcefully urged that collective ownership is an instrument of freedom. Heimann points out that in pre-industrial democracy individual ownership makes the owner independent in his individual work. Under capitalism and its class divisions individual ownership gives the owner control of dependent collective work. The separation of man from his tools makes him relatively unfree. In a democratic socialist commonwealth, collective ownership will restore independence in collective work. The important relationship is the parallelism of work and of ownership.[12] This parallelism, we may note, cannot be taken too strictly, for in the control of the economy one has more to consider than just the workers, but attention to the parallelism does make possible the restoration of the sense of belonging and of democratic control which workers have largely lost. If the collective units are administered, like TVA, on a decentralized basis the contribution to freedom can be considerable.

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[11] Ruth Nanda Anshen (ed.), *Freedom: Its Meaning*. See essays by R. M. MacIver and John M. Clark.

[12] E. Heimann, *Freedom and Order*, p. 101.

In the redefinition of property rights provision must be made to plan for freedom. Since planning must be integrative, it must take account of culture as a whole so that economic planning will be compatible with cultural freedom.[13] Real cultural freedom must provide for the actual indeterminacy of cultural ends. People must be free to do and say things of their own choosing. Planning does not mean deciding the culture for the people, but rather critical participation in planning, with large areas left undetermined. The government must have the power to provide for the security of its citizens and to assure the production of necessary goods, but it must have a philosophy of cultural freedom. To maintain cultural freedom requires a vigorous and mature political democracy including freedom of the press, broadcasting, education, religion and the like. The more that government is called upon to do by way of controlling economic power, the more political liberty there must be exercised.

In a democratic planned economy it is necessary to conserve freedom of consumption and this means that freedom to get what one likes when he likes it. There must be provision for the consumer to make his needs and likes felt. In other words, there must be a large measure of consumer sovereignty to choose and there must be opportunity to save. John M. Clark suggests that the output of consumer's goods be planned subject to demand arising from consumer's free choice.

Wages and the allocation of employment will be planned subject to the person's free choice of occupations. Thus planning will include inducements, not commands.[14] Barbara Wooten points out that the fundamental liberty of choice of employment involves two elements, freedom to choose the *kind* of work that one will do and the right to accept or refuse a *particular* job.[15] She suggests that the parallel between freedom of employment and freedom of consumption is strictly accurate. "The way to give free choice of consumption is to price the available goods and leave each consumer free to buy, or not to buy, as he pleases. The way to give free choice of employment is to price the jobs available and leave each worker free to apply for what he prefers." [16]

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[13] See Barbara Wooten, *Freedom Under Planning* of Chapter 2, "Cultural and Civil Freedoms."

[14] "Free Enterprise and a Planned Economy," Scarlett, op. cit., p. 50.

A constituent freedom under planning is collective bargaining. We refer the reader to our discussion of this in the previous chapter. But trade unions have often been noted for parochial perspectives and for imposing near monopoly claims. Hence it may be necessary to bring the union into a basic relationship to industrial responsibility and control. We shall note below how the industry-council idea has been developing of late. If the trade unions enter into the business of determining economic goals and wage rates, a good deal of freedom can be conserved. A real dilemma arises, however, if trade unions insist on their traditional rights and privileges and refuse to become part of an economic planning team. Even in that case it is dubious whether direct and complete control should be given to government. The last resort should probably be compulsory arbitration. The resistance at present to joint economic planning is of course much greater on the part of management, though labor has not yet developed the idea very much.

When it comes to freedom of enterprise, we are dealing with a small minority of the population compared with consumers and workers. But, if planning is to work, there must be a two-sided favorable climate. On the one hand, government would need to afford a favorable climate for private interests and private interests a favorable climate for governmental policies. The degree of direct operation through governmental agencies is a matter of considerable debate. If a mixed economy is to be the pattern, it is largely an experimental question of how much of basic industry should be taken over into the planned sector and how much left to private enterprise. The greater the concentration of power in business empires, the greater the need to collectivize and redistribute the power along more inclusive democratic lines. Every economy in the world is a mixture of plan and no-plan; so is every economy a mixture of private enterprise, state and municipal enterprise, semi-public corporations, and producers and consumers co-operatives, compounded in varying proportions. The proper debate is not one of either-or but of the right mixture of these ingredients. No *a priori* answer can be given, but the philosophy of the answer is quite clear.

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[15] B. Wooten, op. cit., p. 83.

[16] Ibid., p. 85

4. The political community must have the ultimate authority in handling economic power relationships. This proposition we established at the outset of this chapter, but there are some additional comments to make, for state control is now inevitable as well as just in principle. Left to itself, private economic activity will fluctuate; and when it contracts it is inevitable that there will be intervention of some sort. Thus, it is no longer a question of government versus no government; it is a question of the community accepting responsibility for the general welfare. Moreover, it is becoming more and more apparent that when official government keeps its hands off, there would still be the unofficial types of *de facto* government which have grown up within "private" economic structures, in big business, agriculture and the trade unions. These "private" spheres of control make collective decisions which deal with rights, wrongs and coercive remedies. They are thus no longer private but are affected with the public interest and in the lives of many people operate as unofficial government.[17]

John M. Clark comments that what is to be defended in this country is "not private enterprise as it is—and it is not now fully 'private'—but the right to develop and modify it by evolutionary methods, or at least by free and democratic methods, into something we hope will be more sound and satisfactory than the particular stage which quasi-private enterprise has now reached, or, for that matter, any of the stages that preceded it. All democratic forces are now natural allies, including democratic socialists. Moscow has shown itself as much their enemy as ours." [18] If Americans will take a consistently constructive attitude toward government in industry, they will learn to control both better than if they approach the role of government with a negative bias or as a spendthrift uncle.

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[17] J. M. Clark, *Guideposts in a Time of Change*, p. 113.

5. Although the political community has ultimate authority, this does not mean that productive property must all be state owned and operated. There is a place for voluntary associations like cooperatives, for boards, for public corporations, and for limited private productive property. In other words, the immediate future would seem best to be served by a mixed economy, with ample room for experimentation. Industry is a matter of community interest and government must always assume ultimate responsibility to safeguard this interest satisfactorily; but the fashion and extent of this control changes with the development of the structure of industry and the resulting conflicts of interest and the likelihood of these interests being damaged. Property, we have said, is a bundle of rights among persons and groups in the community with respect to scarce values and the goals of the community. This equilibrium of moral and legal claims is dynamic and calls for constant redefinition and institutional reconstruction under governmental review.

David Cushman Coyle holds that the "best economic base for a political democracy is a mixed system, highly diversified and offering as many choices as possible to people of different capacities, skills and dispositions. No completely unified, centrally planned productive system is tolerable for a free people." [19] He points out in connection with the contribution which the TVA has made that in the state of Tennessee the federal tax returns in 1947 were about 130 million dollars a year above what might reasonably have been expected without the effect of the TVA. This indicates, he contends, that the billions of dollars invested in the seven-states project of the TVA is making the federal treasury a direct profit of over 20 per cent a year. The most important fact about the TVA is that while it is part of the government, it does not add to the dangerous centralization of power. It has developed an administrative technique of its own which deliberately does all things on the lowest possible level of organization. It has been called America's great contribution to the rebuilding of the world.[20]

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[18] Ibid., p. 6.

[19] David Cushman Coyle, *Day of Judgment*. Quoted in Information Service, 28 (Oct. 15, 1949), No. 33.

The mixed economy is what Harold G. Moulton calls a "hybrid system" and this, he argues, "cannot endure." He would confine the function of government to the elimination of monopoly and the punishment of actual collusive efforts to restrict or destroy competition. If this is done, he believes that the creative power of private enterprise which has been responsible for the extraordinary industrial achievements of modern times can be preserved.

John M. Clark would allow more participation by government and yet accept the fact of power in the hands of organized groups. He would have the government exercise increasing power over the outcome of the struggle of these groups. He states the great challenge that "the amount of freedom we keep is limited and measured by the degree of responsibility with which economic power is exercised and limitations upon it are voluntarily accepted." But if powerful groups, we must add, are to act responsibly, they must be made effectively accountable. And accountability to the public welfare is practicable finally only in terms of government.

We noted earlier that John M. Clark viewed great private business as a kind of *de facto* government. This theme Beardsley Ruml analyzes in the interest of business responsibility.[21] Since business is a kind of government, he proposes the following reorganization: The first step is to elect or re-elect one director to act as "trustee" for one of the three parties at interest other than the stockholders (vendors, employees, consumers). What interest such a director-trustee might be assigned to would depend on the nature of the company's business. He would be the nominee of the management and of the existing board of directors and would be elected in the usual way. If he is elected to represent the customers, they are his single interest. It is his responsibility to know what the customers' interests are and to see to it that they are considered when matters affecting them are decided upon. Such a director-trustee should be chosen for his ability to make another's case his own. There should be no conflict in the individual director himself. Thus a stockholder would never be chosen as a trustee of customers. If the experiment worked well, the next step would be a director-trustee for each of the other interests, depending on the functional validity of these interests' claims. The board might then consist of four paid director-trustees, the chairman and the president, and such other officers as the needs and traditions of the company dictated. This procedure, Mr. Ruml hopes, will conserve the successes of private business government and yet safeguard the community from abuses in the exercise of private power.

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[20] David E. Lilienthal, *TVA—Democracy on the March* (Pocket Book, 1944); C. Herman Pritchett, *Tennessee Valley Authority—A Study in Public Administration* (1943); Eduard Heimann, *Freedom and Order*, p. 91.

[21] "Corporate Management as a Locus of Power," summarized in *Information Service*, 29 (May 13, 1950), No. 19.

Even if corporations would largely adopt the policy which Mr. Ruml proposes, it would still be necessary to develop the controls and planning by government for the economy as a whole. "The end sought," says Victor Reuther, "is a relationship between the public and private sectors of the economy which will permit government to be effective without being oppressive and which will assure a continuing responsiveness of the private sector toward the needs of the whole community." [22] Both governmental enterprise and private enterprise may be encouraged to adventure and take initiative. Basic industries like power, transportation, mining and the distribution of the necessities of life may well come under public ownership or thorough control. Such a process is developing in many Western countries. This distribution of property for power plus a gradual redistribution of wealth and income through taxation, with the expansion of social services and with compensatory governmental spending has much to commend it.[23]

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[22] Victor Reuther, "A Mixed Economy: Freedom and Security," in William Scarlett (ed.), *The Christian Demand for Social Justice* (Signet Books), p. 77.

6. We must take account in passing of the industrial council conception which is being urged in several quarters. These go beyond collective bargaining to include the larger economic community. One form of these has been advocated by CIO leaders like the late Philip Murray and Walter Reuther. Such industry councils are composed of representatives of labor, management and the consumer participating on equal terms, with the government as technical adviser. Under the council plan, a cooperative rather than a unilateral setting of goals and policy is made possible. Such councils require for fullest operation the organization of the consumer, but until this is accomplished the government must stand as representative of the consumer interest.[24] During the war Lewis Lorwin urged the development of Joint Industrial Councils with the hope that management might use this opportunity to improve its relations with labor and might serve the public with minimum intervention by government in industry.[25]

The idea of the industry council has received much stimulus from the Catholic Encyclicals to which we referred earlier.[26] Through the industry council four principal goals are to be achieved: (a) the common good, (b) harmony, (c) functional organization, and (d) subsidiarity. The CIO proposal indicated above draws heavily from this conception. Father Higgins of the National Catholic Welfare Conference describes it as "a system which would bring organized labor and organized management together in each of the industries to work out, with the cooperation of a government representative acting in the name of the public, all of the major economic decisions of the industry: wages, prices, profits, production schedules, and similar decisions." This plan is as yet so undeveloped that it is not possible to analyze in detail the power relationships in it which must be democratically controlled and canalized for the common good. We have already noted that the common good must include a large place for cultural freedom. The principle of the cooperation of labor and management along functional lines is good, but only a crucial participation by government can assure an equilibrium of justice. It is imperative that careful attention be given to the political means of holding government responsible in the areas of overall and representative action in the major areas of economic life.

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[23] Karl Mannheim, op. cit., pp. 119-127.

[24] Victor Reuther, ibid., p. 77.

[25] Lewis Lorwin, *Time for Planning*, p. 187.

[26] See William Miller, "A Catholic Plan for a New Social Order," in *Social Action* (Feb. 15, 1951).

7. We must note not only the industry-council idea but more specifically the recent developments in Germany known as codetermination. The West German Parliament in 1951 voted on codetermination by which is meant the giving of labor equal rights with stockholders in the direction and management of industry, specifically the coal and steel enterprises of the Ruhr. This proposal aroused the concern of the defenders of strictly private enterprise who presented protests to United States High Commissioner McCloy. The National Association of Manufacturers sent a delegation to Frankfort in an effort to support their memoranda of protest by more direct action. John Harriman wrote in *The Boston Globe* for March 23, 1951: "From all of continental Europe the protests on industry have flowed in to Chancellor Adenauer. The French Government has recently made its position known through direct representation of its High Commissioner in Germany. And the Netherlands, Belgium and Luxemburg have dispatched what are said to be identical letters of protest at the proposed infringement of the tried and true industrial practices of a sunny, capitalist past." But at this point an expedient consideration interjects itself. The European workers regard codetermination as a definite economic and political achievement. In view of the fact that the West is in a contest with Russia for the minds and souls of the masses of Europe and Asia, can the West afford to interfere when the workers wish to go beyond what they regard as the discredited practices of an inequitable past? Codetermination deserves careful study.

8. The political question is the basic question so far as the

future of economics and property are concerned. How crucial is the question of political liberty and maturity! There can be little doubt that the final locus of economic responsibility is in the political order rightly conceived and with a spirit adequate to its duties. Yet, there is a dilemma which must be faced in practice. Barbara Wooten states it in this way: economic planning demands continuity, and political freedom appears to imply instability in the sense that governments must be changed to conform to the changing will of the people. Nations cannot have effective long-term plans and be continually changing their minds about anything at any time.[27] This is a challenge to social inventiveness. We have clues to the solution of this problem already in the experience of many governmental agencies, boards, public corporations and the like the world over. We have seen in the administrative genius of the TVA one concrete answer to this problem. As we develop, moreover, a deeper sense of the common good and a clearer appreciation of the minimal content of that good, we can assign to semi-political and even non-political public corporations the responsibility of developing ways and means of administering the long-range conceptions of that common good. In any event, we cannot get a responsible economy by coercion. Legislation may confirm and in part articulate what is in the public conscience as, for example, the Fair Employment Practice programs. But there must be genuine common social objectives if there is to be the will to make planning a success. We are thus back at a moral problem. The nation needs to be educated for realistic peace-time objectives and for economic responsibility. No power system of checks and balances in economic democracy can make up for the will to respect the common dignity of man in his communitarian wholeness.

We must face the present crisis in economic power relations and point the way to a responsible order of communitarian freedom. If we have criticized the past and the present we must ourselves welcome criticism. Indeed, criticism must be permanent. Prophetic judgment must be allowed to function freely and it must be institutionalized in the sense that the political order which lies behind the economic order must provide permanently for a Bill of Rights in which religious, civil and social liberties are protected. Radical self-criticism must be both the spirit and the procedural constituent of every major aspect of economic and cultural life. The political order must be free to criticize and modify the economic order; it must provide for its own self-criticism. The trade unions must be free to criticize the rest of the order and must institutionalize internal self-criticism. That is why we stressed a democratic "Bill of Rights" for unions in our discussion of collective bargaining. The consumers must be free to criticize both management and labor. The churches and the schools must, moreover, have the same dialectical relationship within themselves and to the social order as a whole. Indeed, the churches must be expected to understand the meaning of the judgment of God most radically of all since they deal with the inner dilemmas of man as man, with the family and all voluntary associations in society, and with man's personal and social redemption as a whole.

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[27] Op. cit., p. 131. See the whole of Chapter 9, "Political Freedom."

CHAPTER VI

PROLETARIAN POWER AND RESPONSIBILITY

The redefinition of property rights and the organization of economic power has nowhere been so dramatically undertaken as in the Soviet Union. World observers note the polar opposition separating traditional American ideology and that of Stalinism. Americans who fear the growth of British Socialism find it almost impossible even to learn from the experience of Russian Communism. Yet, the very extreme form of social existence under so-called "proletarian power" may teach much concerning responsibility and hence have significance for a religious view of life. If the previous analysis of property presented the challenge of political involvement in economic life as an ethical imperative, an analysis of "proletarian power" may help define the limits and quality of governmental participation appropriate to an age of mass production. In this field refutations tend to be as extreme as the ideologies attacked. Careful analysis may, however, contribute to both understanding and the resolution of conflict.

There are three lines of analysis which we shall follow in evaluating the development of the relationship of power to responsibility in Russia since the Revolution of 1917: (1) the course of development involving human rights and goals such as equality in relationship to state and party power; (2) the dialectic within the economic evolution of Soviet power; and (3) the growth of Russian law with special reference to religious roots and present parental conceptions.

The conception of responsibility raises the question of the relation of personal participation in the determination of social policy. Does widespread participation of itself constitute responsible action? Is responsibility strictly conceivable apart from freedom to criticize and freedom to initiate policies affecting one's own welfare? Is social justice a morally serious conception when abstracted from personal justice, from fundamental human rights and freedoms? Does planning in and of itself constitute a valid socialist society? Can any social movement like communism evade the deeper issues of justice in legal institutions with impunity? Does the empirical development of the U.S.S.R. illustrate the philosophical defects of her ideology?

In the social revolution which early Bolshevism envisaged, the goal of the "dictatorship of the proletariat" was the converse of that believed to obtain in capitalist countries, where the bourgeoisie were viewed as the "dictators." In the new society the masses were to share in the power of the state, with the state rapidly "withering away" after the power of the bourgeoisie was broken. The "dictatorship of the proletariat" referred allegedly to the rule of the exploited many over the exploiting few. It has frequently been shown that this ideology of *ends* has been radically modified because the implementation of its ideology of *means* required authority and discipline in the Party. The means for the liberation of the human race was that of a centralized and highly disciplined organization. In the course of the development of the U.S.S.R. the crises of power in government, economic process, and party accentuated ever more the need of gross inequalities of power. Hierarchical organization of power along all lines under a monolithic party—state, party, economic planning, administration of law—has resulted in placing the control "by the masses over their political and economic destiny . . . about as far away as ever." [1]

I.

THE STRUGGLE OF AUTOCRATIC AND DEMOCRATIC ELEMENTS

In pre-revolutionary Russia the Bolshevist movement was a mixture of democratic and anti-democratic factors. But in the ensuing power struggle the anti-democratic or autocratic elements have won out. The Party in 1903 declared itself for a democratic republic with the following characteristics: (1) democratic rule, the supreme governing power concentrated in the hands of a lawgiving assembly made up of representatives of the people in a single chamber; (2) elections to be direct and secret, with electoral rights equally assigned to all sections of the population, women included; (3) widespread local government; (4) the inviolability of person and home; (5) unrestricted freedom of conscience, of speech, of the press, of association, and the right to strike; (6) separation of church and state; (7) a progressive income tax, and other demands.[2] These were reflected in the first Manifesto issued by the Russian Marxists as a party: "And what does the Russian working class not need? It is completely deprived of that which its comrades abroad may freely and peacefully use: participation in the operations of government, freedom of speech and of the press, freedom of assembly and of union organization, in a word all the weapons and means by which the Western-European and American proletariat improves its position and at the same time battles against private property and capitalism for its ultimate liberation—and for socialism. Political freedom is necessary for the Russian proletariat in the same way that fresh air is necessary for healthy breathing." [3] Many of these democratic elements are still to be found in the 1936 Constitution, though in a form which maintains effective separation between the ritualism of freedom in the democratic program and effective control by autocratic party rule.

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[1] Barrington Moore, Jr., *Soviet Politics: The Dilemma of Power* (Cambridge: Harvard University Press, 1950), p. 403.

From the very beginning the autocratic elements in Bolshevism were visible. Plekhanov as early as 1903 was blunt enough to assert that the good of the revolution ought to be the supreme law of revolutionary activity, even if it meant temporary restrictions on one or the other of the democratic principles. Plekhanov was greeted at that time with cries, "How about the inviolability of the person?" [4] Under

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[2] B. Moore, Jr., ibid., p. 31.

[3] Quoted in B. Moore, ibid., p. 31.

[4] Ibid., p. 32.

Lenin's leadership even prior to 1917 the incompatible mixture of authoritarian and democratic elements resulted in the dominance of the former and a retreat of the latter. Under the conditions of the twentieth century, Lenin believed, democracy could not be established except by totalitarian means. Lenin felt that the transition from Tsardom to democracy could not be achieved apart from the dictatorship of the proletariat. Thus even before the issue of socialism was raised as a practical step, he had abandoned the notion of democratic means. At no time was a firm democratic base established, even in Lenin's theory, from which the transition to socialism was to be made. Indeed, a broad democratic appeal was at most but a quickly passing phase in the tactic of revolution. In March 1917 Lenin left definitely behind him "the ideological baggage of parliamentary democracy." [5] In April 1917 he held that the soviets were the "only possible form of revolutionary government." "Not a parliamentary republic—to return to a parliamentary republic from the Soviet of Workers' Deputies would be a retrograde step—but a republic of Soviets of Workers', Agricultural Laborers' and Peasants' Deputies throughout the country from top to bottom." [6]

In *State and Revolution* which appeared in August 1917, i.e., in the period when the Bolsheviks were struggling against Kerensky's Provisional Government, Lenin made very explicit some of the strongest anti-democratic elements of his leadership. "To decide once every few years which member of the ruling class is to misrepresent the people in parliament is the real essence of bourgeois parliamentarism, not only in parliamentary-constitutional monarchies, but also in the most democratic republics." Lenin and the other Bolsheviks thus determined to destroy the existing repressive apparatus of the state and then to consolidate working class power through oppression. "The 'special repressive force' for the suppression of the proletariat by the bourgeoisie, for the suppression of the millions of toilers by a handful of the rich, must be superseded by a 'special repressive force' for the suppression of the bourgeoisie by the proletariat (the dictatorship of the proletariat)."

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[5] Ibid., pp. 36, 37. See Lenin, "Bourgeois Democracy and the Dictatorship of the Proletariat," 1919.

[6] "The Tasks of the Proletariat in the Present Revolution," April 20, 1917, quoted in Moore, ibid., p. 37. See the whole of *State and Revolution.*

On the other hand, these authoritarian elements are mixed with anti-authoritarian ones in Lenin's thought. He argues that the proletariat and the peasantry must "take political power in their own hands, organize themselves freely in communes, and *unite* the action of all the communes in striking at capital, in crushing the resistance of the capitalists, in transferring the ownership of the railways, factories, land and so forth to the *entire* nation, to the whole of society." The state as such must be done away and society be run by soviets, that is, by councils of workers, peasants and soldiers. Thus Lenin believed apparently in the practical possibility of widespread mass participation in the processes of public control and decision making, once the bourgeoisie was liquidated.

The Bolshevik attack on the state as such at the time of the 1917 Revolution was accompanied by an attack on law as well. In time, both a new kind of state and new kind of law were to emerge. Meanwhile the Bolsheviks maintained a highly emotional attachment to equalitarian ideals in politics and economics at the very time when they were acting on the bases of inequalities in status and power in both politics and economics. Under the pressure of problems of power and administration, the strategy and the tactic was to postpone the realization of the goals of equalitarianism on all fronts. The transition period was not only a practical problem, it became a stereotype for the postponement of democratic goals combined with the immediate consolidation of party power. Under this banner of an appeal to the period of transition, Stalinism after a period of thirty-five years still rationalizes and propagandizes its power apparatus and strategy.

The need to maintain centralized power and control by the Party is clearly seen in the approach which was taken to the peasant problem. Like most peasant movements in Europe the Russian peasant wanted land, dividing up the large estates of the landlords in smaller plots of peasant holdings. The goals of Bolshevism were clearly contrary to the wishes of the peasants themselves. Lenin was clearly against the mere division of land. He had hoped to turn the large estates into cooperative farms.

Subsequent experience was to drive the Party first into permitting the peasants to have the land and then, ten years later, collectivizing the farms and making the peasants conform to the new policy through ruthless measures. Even so, a certain measure of private or family or household control of plots of land has survived.

It is apparent that Russian Communism had from the outset an ambivalent attitude toward the masses. There was distrust of the masses because their goals were not those of the "vanguard." At the same time, there was an optimistic belief that the masses could be persuaded to go down the socialist path. Moreover, there was a prevalent belief among the Bolsheviks in the creative ability of the masses. If their talents could only be released from the shackles of capitalism and feudalism, the common people would build a freer and happier society than man had ever known. However, in the actual dialectics of revolution Lenin exhibited mostly contempt for the masses when left to themselves. It was necessary to combat Party belief in the spontaneous development of the laboring classes, which "tends only to trade unionism" and alliance with bourgeois democracy, and to bring them under control of the Party. Yet he saw the need of support by the masses and believed that they would follow decisive and determined revolutionary action. This ambivalence in theory toward the masses continues down through the present period of Stalin's party dictatorship. In practice the autocratic elements predominate.

When programs had to be put across, Lenin believed in a highly centralized organization of professional revolutionaries. Secrecy was a necessary condition for the success of such an organization and all other conditions such as the number and selection of members, their function and the like had to be subordinated to it. Whatever equalitarian and other democratic ideals he may have had for society in its final stage of classlessness, it is significant that so far as the Party was concerned he emphasized strict status, authority, and discipline.

By viewing the Party as the instrument of revolution and by repudiating the idea of the state, he was able to reconcile extralegal autocracy in action without including such elements in the ideology of ultimate goals.

A. Democratic Centralism [7]

One means of reconciling these opposite elements was the doctrine of "democratic centralism." Lenin's conception of Party organization drew on the metaphor of an orchestra, whose conductor would have to know exactly which player struck a false note in order to correct him at once. This conception was to have lasting influence because the practical problem in the Party involved a definition of the relationship of Party members to the delegates which they elected to Party Congresses. "Democratic Centralism" was born of a situation which Moore describes in general terms as follows: "When Lenin was in power in the Party, he beat the drums for discipline and authority. When out of power, he beat the drums equally effectively for the right of free discussion and other democratic conceptions. In the beginning, Lenin's opponents within the Party were the strongest advocates of democratic procedures. On later occasions, when the Bolsheviks were a vociferous minority within the Party, the positions were reversed." [8] In *State and Revolution* Lenin writes: "Marx is a centralist . . . Only people full of middle-class 'superstitious faith' in the State can mistake the destruction of the bourgeois state for the destruction of centralism." [9]

The formula which summarizes the emergent essence of democratic centralism is "freedom in discussion—unity in action." Originally this was the slogan of the Mensheviks who wished free discussion only in closed Party circles, whereas Lenin advocated (1906) free discussion of the decisions, both before the general public and before closed Party groups. This was his way of assuring criticism against decisions at a time when he was in sharp disagreement. But once the Bolsheviks were in power the development involved a sharp restriction of freedom in discussion. Unity in action became hierarchical direction from the ruling clique. As a general principle, however, democratic centralism was an effort to reconcile, at least theoretically, the need for a system of status, authority, and discipline with some of the requirements of a democratic system of values. Thus an effort was made to consider even the autonomy of local Party units through full and universal *freedom of criticism*, so long as unity in a specific action was not thereby destroyed. It meant, however, that no criticism whatever was admissible, which undermined or made difficult the unity of action decided upon by the Party.

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[7] See Martin Buber, *Paths in Utopia,* Chapter 9, "Lenin and the Renewal of Society."

[8] B. Moore, Jr., op. cit., p. 68. Buber, op. cit., pp. 110-117.

[9] See Chapter 3.

In practice democratic centralism must be understood in relation to the role of terror and violence in Leninist theory. Force was to be used without squeamishness in crisis situations against enemies of the revolution, yet it was regarded as a temporary expedient that would eventually disappear altogether with the withering away of the state. Even here there is a curious irony, for after the withering away of the state Lenin nevertheless speaks of the role of the armed citizenry of workers and peasants. Terror and violence were used by the Bolsheviks in the prerevolutionary period only secondarily as a political weapon. Their primary uses were as means for financing their activities.[10]

For example, there was the looting of cash funds of banks in transit. Stalin came to early fame in Bolshevik circles partly from his alleged role as an organizer of such a robbery in Tiflis.[11] One must not, however, conclude that the Bolsheviks were but a terroristic band of conspirators; and the whole operation must be properly related to the type of police surveillance operating at the time and the general despotism of the decadent Tsarist regime. It is clear, however, that a group bent on the seizure of power was bound to make of "democratic centralism" an expedient principle amenable to autocratic and violent action.[12]

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[10] Moore, op. cit., p. 79.

[11] Ibid., p. 80.

The importance of this predicament is obvious from the standpoint of the responsible society. Alleged ultimate aims conflict here with present historical means. To achieve for humanity the goals of freedom and equality by means of an organization which denied these same principles is the dilemma. History refutes the thesis that the denials would be only temporary and the fruits of victory would bring the announced goals. Instead of relaxation of authority, the discipline, authority and inequality in the state and in the party, among the workers and among the peasants have, on the whole, been intensified.

B. Power and the Party

After the Bolsheviks came to power innumerable crises contributed to the concentration of political authority in the hands of the Communist Party. Under Stalin the triumph of means over ends which had already demonstrated its internal party and external political logic continued apace. This can be illustrated by the fate of the control of the soviets after the Revolution. The 1918 Constitution announced that "Russia is a Republic of Soviets of Workers, Soldiers, and Peasant Deputies. All power in the center and locally belongs to these Soviets." The emphasis was on the Russian Republic as a "free socialist society of all the toilers of Russia." "All power belongs to the entire working population of the country, united in city and village Soviets." The "supreme authority" was lodged in an All-Russian Congress of Soviets which was composed of delegates drawn from lower soviet organizations by a system of indirect elections. Between Congresses the authority belonged to the All-Russian Central Executive Committee. The Constitution of 1918 charged the local soviets with carrying out the decrees of the higher soviet organs, with care of the economic relationships within their own areas of control, and with responsibility to decide all questions of purely local significance on their own initiative. But this broad conception of the distribution of power was soon to be restricted and the Party was to concentrate on the consolidation of its authority over all official state organs.

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[12] Lenin, *State and Revolution,* Chapter 1.

One of the most distinctive features of the new government in practice was that the real power lay not in the constitutional bodies but in the extralegal institution of the Party. It was the ruling elite. In 1925 the Soviet *Encyclopaedia of Government and Law* stated: "Not a single political or organizational question is decided by a single government established in our republic without leading directives from the Central Committee of the Party."[13] This type of relationship naturally raised problems of grass-roots morale. L. M. Kaganovich, for example, observed in that same year: "If a deputy of a soviet goes to a meeting and knows beforehand that all questions and decisions have been already decided by a narrow committee of the Party, he won't show much liveliness."[14] In 1927 in the U.S.S.R. as a whole less than 1 per cent of the electorate in the cities took on the burden of such more or less voluntary sections of the local soviets as dealt with playgrounds, housing and the like. In the rural areas the soviets at that time had largely failed to take root.

When the period of the five-year plans and the enforced collectivization of agriculture arrived, there was great need of mass support; yet there was a determination not to tolerate any possible "right-wing opportunist practices in the direction of soviet organs." Molotov held that "it is impossible to permit . . . the slightest difference between the line of the Party and the line of the soviets."[15] Kaganovich noted frankly in 1930 that "it is impossible to be satisfied with the situation when the gigantic wave of collectivization passes over the heads of the soviets; when the soviets, organs of the proletarian dictatorship, which ought to be in the center and the leadership of every revolutionary undertaking, drag at the tail of this vast movement of social change."[16] It is clear that by this time the proposed functions of the soviets had radically changed. In the period between 1929 and 1934, which are the main years of the renewed revolution under Stalin's leadership, there was a great expansion of the secret police and a marked growth in the scope of terrorism.

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[13] Quoted in Moore, Jr., ibid., p. 131. Buber, op. cit., p. 118. The same point is made in J. Stalin, *Leninism*, p. 135.

[14] Loc. cit.

[15] Quoted in Moore, Jr., op. cit., 136.

The same dynamics and dialectics of power which we have noted between the Party and other aspects of the society operated within the Party itself. Theoretically, the broad lines of Party policy were to be laid down in the Party Congresses which determined the tactics on current questions. A Central Committee with wide discretionary power was responsible to the Congress and was the executor of such policies as were formulated by it. Discussion of all controversial questions was to be completely free until a decision had been reached. The early statutes of the Party merely mentioned the Politburo and described its functions only as "political work." Party Congresses were to be called annually. In 1934 the new statutes provided that such congresses be called at least every three years, instead of annually. At that time there had not been a Congress for three and a half years, the era of the great Stalinist consolidation of power and revival of the revolution of collectivization. There was not to be another one called for five years.

The Party is a political monopoly of power and it is organized as a political monolith.[17] It operates on the principle that no monopoly of political power can be such in fact if torn within itself. Factions and groupings are proscribed. Party rules recognize the right of a Party member "to criticize any Party worker at Party meetings" and provide that "the free and businesslike discussion of questions of Party policy in individual organization or in the Party as a whole is the inalienable right of every Party member, derived from internal Party democracy." There is, nevertheless, a line fixed between factual, constructive criticism and factional, destructive critique. Through its Central Committee the Party itself provides the guidance with regard to the timeliness, propriety, tenor, and extent of complaints and accusations, and the concrete goals sought through self-criticism.[18] Through control of the membership and frequent purges and the influence of Congresses and Central Committee actions, total unity under Stalin was achieved by about 1930. Even after that came the assassination of Kirov in 1934 and the great purges and trials of 1936 to 1938 involving the total liquidation of the various oppositionists with their active adherents throughout the land.

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[16] Loc. cit.

[17] See Julian Towster, *Political Power in the U.S.S.R.: 1917-1947,* Chapter 6.

C. Stalinism

It was under Stalin that a cardinal transformation of the Secretariat came about. At first it was purely an "executive organ" of the Central Committee of the Party, carrying out the decisions of the latter and its collegia, the Orgburo and the Politburo. Stalin became Secretary-General in 1922. Daily attendance by the Secretariat upon current organizational and executive problems, constant activity in the central Party apparatus, continual contact with local Party organizations and officials and vigilant checking on the work and status of members everywhere gave Stalin a focal position in a rapidly developing organization. To him fell the function of integrating Central Committee departments, overriding departmentalism, standing for an all-party approach to problems, bridging the functions of the Orgburo and Politburo—thus bringing to a focus the embryonic monolith of power control.

The transformation of power in the Secretariat's function involved a struggle. But it was accomplished by 1930. From then on Stalin's position was fully recognized. Not only Party but other state functions gravitated to him. He has been a deputy of the Supreme Soviet, a member of the Presidium since 1938, chairman of the Sovnarkom of the U.S.S.R. since 1941, Commissar of War in 1941, Supreme Commander-in-chief of the Soviet Armies, and Marshal of the Soviet Union in 1943. As chairman of the Sovnarkom he concentrated in his person the official conduct of all diplomacy at the highest level. On June 26, 1945 the Presidium of the Supreme Soviet created the rank of Generalissimo of the Soviet Union and conferred this title on Stalin.

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[18] Ibid., p. 129. See R. N. Carew Hunt, *The Theory and Practice of Communism,* pp. 147-160.

The interplay of personality, position, party crises and purges are united in Stalin in a philosophy of anti-democracy. Stalin's "democratic centralism" was from the early twenties primarily "centralism," for he insisted on the view that the Central Committee has the duty to inform the lower Party organizations what their work is. The top of the pyramid decides what questions of high policy may be discussed by the lower levels of the pyramid. Stalin's philosophy of power is clearly expressed in his critique of Comrade Lutovinov who had a more genuinely democratic point of view. Said Stalin in 1923: "He (Lutovinov) wants real democracy, that all, at least the most important questions, should be discussed in all the cells from bottom up, that the whole Party should get going on every question and should take part in the consideration of that question. But, comrades . . . with such an arrangement our party would be transformed into a discussion club of eternally jabbering and never-deciding (people), while our party must, above all, be an acting one, because we are in power. . . . It is clear, comrades, that for organizational as well as political reasons Comrade Lutovinov's democracy is a utopia, a democracy of Manilovism ('unfounded phantasy,' derived from an indolent, sentimental and unrealistic character in Gogol). It is unfit and unnecessary."[19]

This unity and centralization of functions is opposed not only to a "talking" representative democracy but also to the Western conception of the separation of powers. Lenin had viewed the commune not as a parliamentary institution, but a working one, legislating and executing laws at the same time. Instead of parliamentary "separation of powers" Towster lifts up the notion of the Soviets as a "system of barometers." This conception is based on a formulation of Stalin's in 1923. He said: "In our Soviet country we must evolve a system of government that will permit us with certainty to anticipate all changes, to perceive everything that is going on among the peasants, the nationals, the non-Russian nations, and the Russians; *the system of supreme organs must possess a number of barometers* which will anticipate every change, register and forestall . . . all possible storms and ill-fortune. That is the Soviet system of government." [20] Thus in the principle of "democratic centralism" there is no balance of power against power, but there is a gradation of territorial and administrative control according to a rigid scale of the subordination of power to power. What the central authority needs is the forging of a system of structural barometers which accurately and instantaneously as well as periodically can guage the state of public sentiment and reactions to the dynamic changes in the developing program and crises of the U.S.S.R. Participation without power fails to establish genuine responsibility.

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[19] Quoted in Towster, op. cit., p. 157.

D. The Party Base

From Stalin at the top of the pyramidal monolith it is well to take a look at the base of the pyramid, at the membership. The Party is the supreme political force and regulates all other forces—ideological, economic, social and political. Its present size reflects the belief of the central powers that virtual unanimity reigns in the U.S.S.R. There were but 8,400 Bolshevik Social Democrats in 1905. There were only 23,600 in 1917 in the Russian Communist Party. By 1946 the All-Union Communist Party (Bolsheviks) numbered 6,000,000, the greatest growth coming during the World War II.[21] Together with its auxiliaries the Party numbers some 32 millions, or over one-sixth of the population. These are the Komsomols, the Pioneers and the Octobrists. The Komsomol or Young Communist League has as its function to assist the Communist Party in educating the youth and children in the spirit of communism and of organizing the youth around the Soviet power. It serves as a mass training school, which provides young cadres not only for the Party but for all other organizations and institutions in the country. Organizationally it is patterned after the Party. There are members in farms, factories, and every kind of institution, formed into cells and units on the level of village or city, district, region, and republic committees. The ideological level, the discipline, and nature of Komsomol membership are carefully guided by Party leadership. Stalin, it is instructive to note, drew up the rules governing it in 1936.

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[20] Ibid., p. 186. Italics supplied.

[21] Towster, op. cit., p. 345.

The Komsomol includes young people betwen the ages of fifteen and twenty-six. In 1918 the approximate membership was 22,000; in 1936 it reached 4,000,000; and in 1945 it stood at about 15,000,000. It has thus become a mass organization encompassing the greater part of Soviet youth. Under the direct domination of the Party it has performed crucial services for the new order. In 1928 Stalin in addressing the Eighth Congress of the Komsomol gave the youth this charge: "To master science, to forge new cadres of Bolsheviks—specialists in all branches of science, to study, study, study in the stubbornest fashion—that is the present task. A crusade of revolutionary youth into science—that, comrades, is what we need now." [22] From the ranks of the Komsomol came thousands of technical specialists for all branches of the economy who made great contributions toward the fulfillment of the Five-Year Plans. Their contribution was especially strong in the collectivization of agriculture. On two occasions the Komsomol sent mass expeditions of its members into the villages to assist in collectivizations. "Data for 1937 show that 103,640 Komsomolites, and young people below thirty associated with them, were collective-farm chairmen; 210,790 were leaders of plant-growing brigades; 125,790 worked as statisticians and accountants; 61,931 were commercial farm managers; and tens of thousands served as agronomists, technicians, veterinarians, et cetera, in the villages. During the years of the first two Five-Year Plans alone, the Komsomol is said to have given the country 118,000 engineers and technicians, 69,000 agricultural specialists, 19,000 teachers possessed of a higher education, 9,000 physicians, and tens of thousands of highly qualified workers in other lines of specialization." [23] At other times the Komsomol has been given the challenge of political study and special political activity. It also played a significant role during World War II.

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[22] Quoted in Towster, op. cit., 141.

Closely connected with the Komsomol, through which they are controlled by the Party, are the Pioneers and the Octobrists. The Pioneers were organized in 1922, the full name in 1924 being the Children's Communist Organization of Young Pioneers of the Name of Lenin. Its role is to help the Soviet school to educate the children in the spirit of communism, love of country and the Party, and inculcating the right habits of cultural behavior. The membership embraces children and adolescents from the ages of ten to sixteen. Children between eight and eleven may belong to the "Little Octobrists" and a good proportion of the Soviet school population belong. The Pioneers had an approximate membership of 5,000 in 1923. By 1939 it had grown to 11,000,000. A broad base for eventual Party membership is thus provided in a well-indoctrinated children's and youth group in the U.S.S.R.

There is considerable skill in the way the U.S.S.R. has developed mass participation and yet maintained its principle of control. As we have repeatedly pointed out, the Party summit retains strictly and secretly all ultimate controls in its hands. It does not proceed blindly, however, in its manipulation of power. Through the soviet organs and other "barometers" it has an intelligent grasp on what the people will stand for, both on how the populace accepts its policies and how much active assistance they will supply. The "barometers" also indicate the will of the masses and these are reflected in governmental decision, though these are also frequently overruled when the popular will is contrary to the basic ideology or ultimate goals of the Party heads. In innumerable ways a large section of the population is actually enlisted in the process of implementation and execution of governmental policies. Their participation is encouraged up to a point and recognition is given to approved types of loyalty and cooperation. Against the background of Tsarist Russia, one must be aware of the increased popular participation in the government of the U.S.S.R. on the part of workers, peasants, young people, women, and the nationality groups. There are possibilities of even wider participation as the 1936 constitution and the liberalized rules of Party life indicate. The people are instilled without doubt in a growing sense of participation in government, though they do not have any possibility of effective check on policy or government officialdom in the Western sense of that term.[24]

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[23] Ibid., p. 141.

In his extensive study of the interaction of ideas and empirical processes, of means and ends, of goals and environment, and of contrary goals in the U.S.S.R. Barrington Moore, Jr., summarizes his findings as follows: "In this process the original anti-authoritarian ideas, and the practices that flowed from them, have undergone a sea-change, with the result that they now serve as justifications and additional supports for an authoritarian regime. The safeguards of democratic centralism and self-criticism have been modified in such a way that they do not act as a check upon the powers of the top Party leaders. Instead, they serve as devices to strengthen this power by directing the hostility of the masses against local nodules of power in the lower levels of the bureaucratic system, which would otherwise nullify the policies and decisions taken by the central authorities. Criticism is deflected away from policy itself to the execution of policy. Elections serve either to correct weaknesses in the execution of policy or, perhaps more frequently, as public demonstrations and directed affirmations of loyalty to the leaders." [25]

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[24] See Towster, op. cit., pp. 399-400.

[25] Op. cit., p. 403.

II.

POWER AND ECONOMIC REVOLUTION

The second line of analysis deals with the dialectic or internal tensions within the evolution of Soviet power. Concentration on the objectives of power and economic goods in a collective system has resemblance to similar goals in an individualistic system despite obvious differences. Both are destructive of human good. Both have a high degree of ruthlessness and materialism. For both the success drive may so override human dignity as to justify any means for the sake of alleged good. In criticizing the Soviet social economy it is instructive to recall the record of man's inhumanity to man in America's gilded age. The fate of millions of people in modern, technological, urban centers both in Russia and the West may by those tokens be much more alike than the differences of ideologies might suggest.

The Soviet social economy with its accompanying political and juridical order places in sharp contrast the telelogical and the contractual character of law and of economic process. Ends tend to justify means in that economy. Especially in the earlier stages of the Russian "experiment" the goals of socialism were held to justify any means making for their realization. Since this society has different goals from those of the "capitalist" West, the legal structure of "justice" was made to conform, through frequent changes, to the requirements of the revolution. Individual rights were regarded as instrumental, as means. The liquidation of bourgeois classes in the cities and the richer peasants in the countryside illustrate the shifting instrumental attitude toward persons in their relation to the collectivist planning in industry and agriculture. Yet, it is well to remind oneself that this anti-personal view of individuals in the Soviet Union, this brutal subordination of means to ends, is not without its parallel in the development of the American economic life. For everywhere, the purposes of group life are the dominant factors. Individualism may be as cruel as collectivism.

The history of the American economy, especially in the period of rapid urban economic expansion, illustrates the ruthless possibilities of the end-justifies-the-means doctrine within individualism. Dominated by the lust for profits, the idea of absolute rights of private property, the idea of the impersonal free market, the principle of competition, some great entrepreneurs were known to take a callous view of human life. From the slave trade to the immigrant filled slums and mining camps—the goals of the American economy have been an inspiration to those Russians who admire the "technology," the "rationality," the "efficiency" of our system and have only changed the outward goals from individualism to collectivism. It was not until 1913 that the Clayton Act laid down as a legal premise that labor is not a mere commodity. It was not until the social legislation of the '30s that the goals of the American economy were expanded to include more nearly the welfare of the means (the persons of the workers). Rational efficiency is slowly being reconsidered in terms of social justice.

The relation of ends and means, of planning to contract, of economic goals and human rights—cannot morally or sociologically be separated. The question whether an economy will *work* cannot be divorced from the question whether it is *just*—i.e., the divorce itself will neither work nor be just. There is a fundamental moral unity in community life which constantly asserts itself. "What is right" cannot be separated from "what is good." The "good" cannot be separated from "need," "value," the "ends of life." All rights and all goods find their reconciliation only in persons-in-community. But ends (values, goals, purposes) which are institutionalized tend to create an impersonal disjunction between these and the persons who are to realize the goals. This is most easily illustrated in the army where the soldier is hardly more than means. But any large institution, or any smaller one for that matter, which has rigid goals is likely to "use" whatever persons are associated with it. Persons tend to become separated from concrete community and related to abstracted ends. In the private corporation under capitalism as well as in the public corporation under Stalinism this problem is today acute. And in both instances the relation of the person to justice in the state is analogous.

In one respect, and this is one which is of major concern to religion, the Soviet culture is very similar to that enjoyed by many Americans, viz., its materialism. The anti-religious atheism in Russia has its counterpart in the practical atheism of American thing-worship. In the words of Sorokin both are "sensate." In America the masses are "set free" to drift atomistically into the maelstrom of assembly lines, plastics and chromium gadgets and are manipulated through the media of mass communication; in Russia the masses are led forcibly through industrialization and collectivization to their new salvation. The promised land of abundant consumers' goods are visible only from Pisgah's summit on the power pyramid of the Party or from the perspective of its secular apocalypticism.[1]

Collectivism and individualism are inadequate refutations of each other. When proletarian power expresses itself in terms of public ownership alone, it appeals to a principle which may in effect be essentially negative. Public ownership may mean simply the absence of private ownership. In such a situation, if no other principle is at work, collectivization by the state may mean nothing but the denial of personal possession. Everybody's business transacted through an anonymous and impersonal legal association may end up by being nobody's business. Leon Trotsky wrote in *The Revolution Betrayed* that "a revolution in the forms of ownership does not solve the problem of socialism but only raises it." [2] More basic than the conception of public ownership conceived of as state capitalism or state socialism is the principle of the community. The community is a positive conception and combines both the idea of the integrity of the individual person and the interdependence of persons united by a hierarchy of voluntarily shared values. These values are expressions of personal (private and group) needs. Ownership and public power must be instruments of the positive communitarian principle, and hence the idea of public ownership must be rooted in the community in an integrative way, not superimposed over the people in an impersonal and primarily coercive manner. What is needed is the positive idea of a community planning in freedom and for freedom, the state being no less instrumental to and subordinate to the community in socialism than in capitalistic types of democracy.

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[1] See critique by World Council of Churches of both communism and capitalism in Chapter 1 above.

[2] Quoted in H. J. Berman, *Justice in Russia,* p. 52.

A. Economy Versus Equality

The New Economic Policy (NEP) is an illustration of the difficulty Lenin encountered to compel the adoption of ideas that seemed to betray crucial ideals of the Revolution. The central measure of the policy was granting the peasants the right to trade in the open market with whatever produce remained after the governmental amounts had been taken over. This partial return to capitalism meant the employment both of the profit incentive and market exchange. In industry the government retained control over banking, transportation, and certain large industries, permitting private enterprise to take over the balance.

NEP did result in a partial recovery of the economy. The decline in population was arrested by 1923. Since 1915 there had been a loss of about nine million, the heaviest losses being in 1919 and 1920 or during the period of War Communism. By 1926-27 gross industrial population had regained the level reached in 1913. Grain production had recovered more slowly and was not yet up to pre-war levels. Iron ore was still at only 52 per cent of that level. But despite gains the economy was unstable especially from the Bolshevik standpoint, for the greatest recoveries had been made in the anti-Bolshevik segments of the economy.

NEP was the beginning of the end of the ideal of equality in the economic sphere. During the period of War Communism both doctrinal considerations and the necessities of wartime siege favored equality in the distribution of goods and incomes, though it was the equality of extreme lack of goods. Lenin felt that certain inequalities might persist in the early stages of socialism, but he unhesitatingly affirmed equality as an eventual goal. The first program of the Bolsheviks following the November Revolution proclaimed (1919) that among the outstanding tasks of the moment was the ideological and educational one "to destroy completely all traces of previous inequality or prejudices, especially among the backward strata of the proletariat and the peasantry." [3] In War Communism there were some inequalities in the payments of vital technical personnel and a rough system of priorities obtained in the distribution of goods to workers in different industries, as well as to different plants within an industry. But there was widespread equality of distribution. By 1920, however, trade union leaders held that payment of labor ought to depend on the results of labor. Even the Party Congress declared that an incentive system of payments ought to be one of the most powerful means for awakening competition. Moreover, it announced that a good worker should be better supplied with the necessities of life than a negligent worker. NEP greatly heightened this type of thinking.[4] The situation at the end of NEP was such that wage payments did not differ very markedly from analogous differentials in capitalist countries. In 1928 the estimated variation in inequality of wages in the U.S.S.R. was only slightly less than had been the case in Russia in 1914.

By the end of the twenties the Soviet system had "developed a system of organized social inequality with marked similarities to that in capitalist societies." [5] Members of the Party, by a rule adopted in 1929, were no longer limited in certain occupations to earn a certain maximum. To be sure, industrial workers, due to monetary inflation, were demanding upward leveling of wage rates and objected to incentive differentials as a whip to increase production. But this was one of the last flickering evidences of the equalitarian tradition.

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[3] Quoted in Moore, op. cit., p. 183.

[4] Ibid., p. 184. See above pp. 78-89 on incentives in capitalism.

[5] Ibid., p. 185.

A widespread revision of wage scales was undertaken under the supervision of the All-Union Central Council of Trade Unions to iron out gross inequalities.

The Soviets have borrowed from other industrial nations not only the incentives of inequalities of rewards, but also the profit incentive and some of the superficial aspects of competition. As Barrington Moore points out, these borrowings do not mean that the Soviet system is closely similar to capitalism today, but they do indicate perhaps that an industrial society anywhere involves certain common problems and suggests certain common solutions.[6] On the other hand, personal acquisitiveness is rather thoroughly hemmed in and is channeled differently in the U.S.S.R. as compared with the U.S.A. Russia emphasizes types of prestige rewards; it claims freedom from crises and unemployment, and it stresses more welfare security.

When the drive for industrialization in the Five-Year Plans was under way, Stalin removed that leader from the trade union group who had held to equalitarian standards of "elementary class justice." The purging of democratic trade union leaders became a consistent policy. Instead of the equalitarian pattern being promoted, the whole wage system was radically revised in the opposite direction in 1931. In speaking on one occasion of a great industrial problem involved in the heavy turnover in the labor force, Stalin held that inequality served a necessary social function in a socialist as well as a capitalist society. This emphasis constitutes a new element in the Party ideology. He declared: "The cause (of high labor turnover) is the wrong structure of wages, the wrong wage scales, the 'Leftist' practice of wage equalization. In a number of our factories wage scales are drawn up in such a way as practically to wipe out the difference between skilled and unskilled labor, between heavy and light work. The consequence of wage equalization is that the unskilled worker lacks the incentive to become a skilled worker and is thus deprived of the prospect of advancements; as a result he feels himself a 'sojourner' in the factory, working only temporarily so as to earn a little and then go off to 'seek his fortune' elsewhere."[7] Thus the older slogan, "From each according to his abilities, to each according to his *needs*" is no longer interpreted in terms of equality. Indeed equality is now stigmatized as "petty bourgeois." Stalin's slogan now is: "From each according to his abilities, to each according to his labor." The goal of industrialization has thus, in his hands, vitiated a basic element in the earlier ideology.

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[6] Ibid., p. 315.

We have, then, not only a new system of inequalities of power but also a new system of inequalities of rewards. Inequalities in the political sphere united with inequalities in the economic sphere have prepared the way for a new class stratification which we shall note below. Nevertheless, there seems to be sufficient expression of concern for the welfare of the masses and their needs as to elicit support for the regime. But welfare provisions are not sufficient to provide along with wage differentials the motivation and the incentives for complete co-operation. There is the real fact of "slave labor camps."

B. Participation Without Power

The sponge of welfare and of worker participation is extended on a spear of coercive power. It is the Politburo which makes the major decisions on production goals embodied in the Five-Year Plans. Decision-making in all major areas of economic life is concentrated within the same unity of power as in political life. In this there has been a marked shift in the direction of concentration of control since Stalin's accession to power and since the First Five-Year Plan. The State Planning Commission, the Gosplan, is an advisory, not an executive department of state. According to the popular ideology the masses participate widely in the planning processes and thereby control their economic destiny, but in actuality the masses participate here more as "barometers" of popular sentiment and as the originators of suggestions than as real co-determiners of industrial policy and destiny. There is participation along a wide arc in the circle of production and distribution and suggestion, but not at the point of real decision.

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[7] Moore, op. cit., pp. 186-187, quoted from *Problems in Leninism,* pp. 371-372. See Hunt, op. cit., p. 191.

The real line of power and decision can be briefly outlined. The Politburo with the advice of the Gosplan puts forward an industrial and agricultural plan. Then the Party stimulates among the workers of all types whatever suggestions for counterplans they may have in response to it. These counterplans include promises to carry out or to overfulfill aspects of the official plan. The counter proposals, often in the form of long letters to Stalin, are publicized in the papers or printed in full, including the promises of overfulfillment of production. Then there is encouragement of "socialist competition" in which groups of workers vie with each other for prizes for the greatest output. But all of these popular responses are stimulated and carefully controlled by the Party. "There is not the slightest evidence," writes Prof. Moore, "that they can in any way affect the fundamental aims of the Plan. They do not affect such basic decisions as whether the economic resources of the country will be directed into heavy industry or light industry, into war goods or peace goods, consumers' goods or producers' goods, which are the essential decisions of the Plan. They are merely additional stimuli to production that, together with the elaborate apparatus of control, help to take the place of the spurs and checks provided by the market in a capitalist economy." [8] As the state businesses have developed and hence the role of contracts among and between these state units has grown, there has also developed a tendency toward decentralization of planning on the local level. Thus in 1941 a law was enacted which transferred the planning and distribution of the products of *local* industry for *local* consumption from the central planning commission in Moscow to *local* bodies.[9]

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[8] Op. cit., p. 302.

[9] Berman, op. cit., p. 42.

With respect to the economic rights of the individual it should also be noted that there is a new emphasis on the personal ownership of one's house, of one's personal belongings, of one's savings account and government bonds, both of which latter carry a fairly high interest rate. There has been a new recognition of the family and with it of the right of inheritance. Inheritance has been freed from crushing taxation and a greater freedom of testation has been introduced. Thus, today, a Russian cannot only accumulate wealth, but he can pass it on to the heirs with a tax not in excess of 10 per cent. On the collective farm, also, there has been a restoration and an extension of peasant property rights. Though most farmers labor on collective farms, they do have a few acres under their own individual households which are not absorbed in the collective and on which they expend a great deal of effort. As a consequence of the above freedom and parallel to it is the growth of the free sector of the market to which peasants bring their household plot produced goods and the portion of the collective produce which is theirs by virtue of wages.[10] This comprises a significant portion of the economy.

The private property sector of the economy is conditioned in its existence by the principle that there shall be no "exploitation" (i.e., employment) of man by man. There is legislation to enforce this condition. Thus the right of inheritance is carefully guarded against preserving and strengthening capitalist private property. The same observation must be made with respect to savings. It is quite unlikely that any significant portion of the population could use savings or investments to free itself from the constitutionally imposed duty to work as a prelude to the right to eat. Indeed, such savings as are invested in state bonds and savings banks are always in danger of currency conversion, capital levies, or other fiscal measures which the ruling elite may adopt, such as curbing, inflation, reducing war profits, and the like.[11]

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[10] Berman, op. cit., pp. 42, 254 f.

[11] Harold W. Metz and Charles A. H. Thomson, *Authoritarianism and the Individual*, p. 170.

The individual worker gains little initiative or expression of real vocation through his relationship to a trade union. Metz and Thomson say that "labor in the Soviet Union is in the position of a woman raped in the name of her own self-fulfillment." [12] Soviet labor has lost its autonomy, its rights, and its weapons. This was the inevitable fate of a view of revolution and of social purpose which regards the individual not as an end in himself but as a mere means to an impersonal collectivist goal. Instead of a communitarian goal, as we have outlined it above, the communist goal is monolithic. Organized labor does not have unions of its own choosing. The Party supervises all organization. The right to strike is abolished.[13] There is no real collective bargaining at all, nor can there be. Berman points out that the term "collective" and the term "contract" have a meaning in the context of Soviet labor law quite different from the meaning they have in American labor law. In America a contract is a "voluntary establishment of mutual rights and duties by persons possessing a certain degree of independence, expressed in the phrase 'legal capacity,' or 'capacity to contract.'" However, in Russia the word "collective" refers neither to the union nor to management but to the enterprise as a whole. The whole enterprise is the collective. A union local has no legal status and the "collective contract" is the plant program. It is negotiated and it creates mutual rights and duties by union and management, but the parties lack "capacity to contract" in the American sense of the term. The "collective contract" is designed primarily to prevent disputes, through inculcating in workers and officials a sense of responsibility of a moral-legal character. It is an instrument for educating "public opinion" in the "school for communism." Hence its "underlying purpose is to utilize the authority of official law for instilling in popular law-consciousness a sense of mutual rights and duties which, if perfectly developed, would make the official legal system itself superfluous." [14]

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[12] Ibid., p. 174.

[13] Loc. cit. Cf. Berman, op. cit., p. 262.

[14] Op. cit., pp. 262-263. See Moore, op. cit., pp. 331 f. For an official exposition see A. Y. Vyshinsky, *The Law of the Soviet State*, pp. 618-624.

The parental [15] and educational roles of the "collective contracts" for the plant as a whole are the key to understanding them. An intensive campaign of mass indoctrination accompanies their promulgation as well as the fulfillment of the new agreements. In each plant the "collective contract" is drafted by the union local and the director on the basis of a model contract which has been worked out on an industry-wide pattern by the union central committee and the ministry in charge of the industry. The model contract is accompanied by a letter of instructions which contains the planned tasks for the plant as a whole for the coming year, including such items as the planned production, labor productivity, wages, costs, funds for housing, cultural needs, health and safety, and the like. The draft of the proposed contract is supposedly discussed in detail at a meeting of all the workers and is widely publicized in the press and on the radio. New proposals may be made from the floor at union meetings and explanations are made if the proposals are rejected. The Party organizations in the factories are expected to guide the discussions. When the contract is completed it is signed by the union and management, forwarded to the appropriate ministry and the union central committee where it is once more checked against planned assignments and existing legislation.[16]

Thus it is apparent that the labor union is a kind of welfare and production-incentive organization whose functions are to spur the workers to fulfill the production demands of the state, or to propagandize or educate them with current dogma. In so far as democratic procedures are concerned, Prof. Moore is of the opinion that in the unions, as in other areas of Soviet life, the Kremlin leadership employs them in a way as to turn the hostility of the masses against the lower ranks of the bureaucracy, thus deflecting this hostility away from the major sources of power.[17]

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[15] See below, p. 212.

[16] Berman, op. cit., pp. 258 f.

[17] Op. cit., p. 329.

III.

IDEOLOGY AND LAW

The relation of social-economic purpose of rights to the "formal-juridical" element in justice is of primary importance for the understanding of Soviet life today. Soviet law is collectivist, dialectical, and subordinate to extralegal and nonlegal means of social control. To say that it is collectivist means that the Marxist idea of the basic unity of all social relations finds expression in the integration of politics and economics and in the self-conscious treatment of legal problems as social problems.[1] To say that the law is dialectical means that dynamic social development is dominant and that therefore Soviet law changes rapidly to meet changing conditions. Hence, being non-static and non-conceptual primarily, it tolerates logical contradictions and inconsistencies for the sake of ulterior ends. To say that the nonlegal forms of social control tend to be dominant means that the law follows the Marxist theory of power. Law is created by the social order, but the Russian social order rests finally on force. When threatened, the social order abandons law and reverts to this ultimate sanction. Soviet law, being precarious, is subordinate in fact to the secret police and they to the party who, as the vanguard of socialism, formulate the social goals.

Nevertheless, the Soviet legal system is becoming more stable. More basically there is developing a system of law under socialism. The "formal-juridical," the contractual, and many other features of "capitalist" law are emerging. "The very existence of law under socialism is an innovation in Marxist theory, and a contradiction of the spirit of Marxism if not of its letter. In addition, many of the features of Soviet law which are considered by the Soviet rulers to be peculiarly socialist bear striking resemblance to the law of those societies which they condemn as capitalist."[2] Soviet rulers have found law necessary in their planned economy—though they tended for a long time to put these in opposition to each other—"not only because of the rationality and calculability which a legal system provides, but also because of the assurance which it gives to those who operate the economy that their acts will be judged according to some standard of rightness. The rational allocation of resources requires a reasonable adjudication of rights and duties."[3]

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[1] Berman, ibid., p. 103.

A. Religion and Law

How deeply the Leninist rejection of the state and the law is related to its functional atheism is apparent when one analyzes the root ideas of Western law and compares them with Russian conceptions. We should point out that we are not interested in an obscurantist defense of Western institutions. There is, however, an implicit moral nihilism in the Leninist attack on the state which has reached to the law itself. Under Stalin a new development of law is taking place. How far it lacks religious depth or moral integrity will become apparent. The law of the U.S.S.R. as it has developed is a mixture of socialist (Marxist) perspectives on all political institutions, of Russian law deeply impregnated by Tsarist and Eastern Orthodox views of crime, sin and redemption, and of expedient accommodations to the dilemmas of power. In these legal domains there are sharp contrasts, though also some analogies, between Soviet and Western law which are far reaching and illuminating.

According to Berman the whole Western legal tradition, despite many variations, owes much to the mediaeval Christian centuries and can be best understood as the three principles of Reason, Conscience, and Precedents.[4] The belief in Reason made possible the reconciliation of conflicting customs, statutes, cases and doctrines by analysis and synthesis. The mediaeval theologian asserted that the cosmos was rationally governed. The mediaeval lawyer held that natural rational law governs all human relations. An ultimate law governs the relation of the sovereign to his subjects. Law is supreme over men. The principle of Conscience also has a Christian and a natural root. Accordingly the judge finds the law not only in reason or in books but in his own conscience. The conscience of the judge needs to be informed and from this need arises the concept of judicial discretion with its lawgiving implications. Moreover, in conscience all litigants are equal and hence all have equality before the law. From this developed the ideas of the systematic protection of the poor and helpless against the rich and powerful. The third principle, that of Precedents, is commonly associated with English and American law, but it is deeply rooted in the Roman-and-canon law system which took account of precedents in making decisions. "Precedents make history." They make growth possible and thus are directed not only to the past actions but to the future. In the rough and tumble of national sovereignty claims and the various secularistic developments the essential unity of Western law has often been obscured, but in contrast to Soviet and Russian law its chief lines can be seen and its religious heritage discerned.

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[2] Ibid., p. 104.

[3] Ibid., p. 104.

[4] Berman, op. cit., pp. 116-120.

The law consciousness of the U.S.S.R. is not a mere child of the Revolution of 1917, though it shows the obvious effects of it. Russian law like Western law has common sources in Christianity and Roman law. The Slavs inherited through the relation to the church both the Roman law and canon law. Roman law gave to both West and Russia a common vocabulary. From the Roman Empire came the notion, too, that a state may be organized by law. The Byzantine emperors added an emphasis on subjective elements such as intent, consent, fault and the like. Finally, the Christian emperors of the East made an ethical contribution in seeking to protect the weak against the strong, the wife against the husband, the ward against the guardian, the debtor against the creditor. They held, too, that no man should be enriched unjustly at the expense of another.

The historical fortune of these ideas differed markedly in the East from the West. It was systematized in the West and transformed into a new type of legal system. In the East it exercised a civilizing influence on Slavic custom but did not revolutionize it. In Russia there was a five-hundred-year time lag in legal development as compared with the West. For example, Clovis was converted to Christianity in 486 A.D. whereas Vladimir became a Christian in 988. The time lag with respect to law is estimated actually to be 750 or 800 years.[5]

The initial time lag was intensified by the subjection of Russia to the Tartar Yoke from 1240 to 1480. In these two hundred and forty years the conquered tended to adopt the methods of the conquerors. Absolutism was deeply impressed on the political organization. Unity through unqualified obedience was imposed from above. The principle of universal compulsory service of each person to the state dates from the thirteenth century and became characteristic under the later Tsars. Thus autocratic centralism became the pattern of Ivan the Great, "Tsar-autocrat chosen by God." Ivan the Terrible wrote: "The rulers of Russia have not been accountable to anyone, but have been free to reward or chastise their subjects. . . . The Russian autocracy . . . has been ruled in all things by sovereigns, not by notables and magnates."[6] In this period there was no feudal law development as in the West, but there was created a new system of economic feudalism which bound the nobility to the Tsar and the peasants to the land. As late as 1649 peasants were brought under the prohibition of leaving their landlords' estates in certain years. With the nobles bound to the autocracy, the peasant was also bound with them.

The autocracy of Byzantium, which provided in part the basis of present patterns of "justice," held to the unity of church and Empire. No real separation of church and state existed. "I am Caesar and priest" was the basic attitude of the rulers. After the Fall of Constantinople in 1453 it was widely believed that Moscow was the successor to both the Rome of the West and the Rome of Byzantium. The Tsar, moreover, must also save souls. Christian principles were to be put into secular life. Thus a State Orthodoxy developed which allowed no dissent. Yet, the religious character of the empire had a certain limiting effect on absolutism in practice. High dignitaries of the church occasionally interceded on behalf of some victim of Tsarist displeasure or asked for some reform in the name of the Christian religion. Moreover, the "right of petition" began to play a role which in its secular expression has some significance today. Unlike the church in the West, the Russian church made few contributions to the development of legal traditions, customs, principles or institutions. There remained in Russian legal history, down to 1906, the unlimited autocratic power of the Tsar.

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[5] Berman, op. cit., p. 128.

[6] Ibid., p. 131.

Religion in Russia has reinforced the latter's collective tendencies and lacks the Western Christian emphasis on the individual. The church, stressing liturgy, was conceived to be an invisible community of the faithful, bound together in a profound aesthetic experience of worship. The sense of community had its values, for the community consciousness expressed in and bound by common ritual, common liturgy and sacrament, common belief in brotherhood, unified the Russians in the days of the Mongol invasions. It has persisted through the centuries. There developed a spirit of togetherness with the resultant notions, so fateful for the present, that the individual derives his personality in the community of believers and that "truth resides in the congregation." [7] This strong tradition of collective social consciousness, lacking a deep appreciation for the individual, relied little on reason and much on common faith and worship. It affected both ecclesiastical and secular solidarity.

The church became Russianized not only in the above manner but also in its acceptance of universal compulsory service which has been characteristic since the days of the Mongol domination. Thus Holy Mother Russia has an historical unity born of a fusion of coercive, moral and religious elements.

In Soviet law some of these Russian characteristics come to the fore: (1) the old religious conception of the state with its institutions for the repression of all heresies; (2) its foundation not in law so much as in an idea and a mission, the head of the state expecting not only obedience but reverence; (3) the conversion of Marxism from a science of society into a dogma, this dogma having become ritualized. "Stalinism in Russia is chanted, not merely spoken; it is to be believed *in*, not merely believed. Soviet public speech has a liturgical character." [8] (4) The secular church, the state, belongs to the priests, i.e., the ideology-dominated state belongs to the Party and its mission. (5) The Party resembles a religious order. In the words of the Party Rules of 1939: "The Party is a united militant organization bound together by a conscious discipline which is equally binding on all members. The Party is strong because of its solidarity, unity of will and unity of action, which are incompatible with any deviation from its program and rules, with any violation of Party discipline, with factional groupings, or with double-dealing. The Party purges its ranks of persons who violate its program rules or discipline." [9] It is the new "communion of saints." (6) The Party organization is hierarchical, the lower units sending representatives to higher ones, and with a structure whose rules insist on "the absolutely binding character of the decisions of higher bodies upon lower bodies." (7) Soviet conceptions of crime and the criminal have deep roots in the Russian Orthodox conception of the corporate character of sin. Related to this notion of crime as at once individual and corporate is the "considerable emphasis on the ritual act of confession and repentance as prerequisite to absolving both the person and the community." [10] Underlying the famous confessions of leading communists there seems to be a felt need for the "reidentification of the accused with Russia" and with the Revolution which they presumably had betrayed. Thus their sins are expiated and the community purified.

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[7] Berman, op. cit., p. 155.

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[8] Ibid., p. 162.

[9] Quoted in Berman, ibid., p. 163.

[10] Ibid., p. 182.

The contrast between Russian religious tradition and patterns of genuine Christian socialism are marked. It is instructive to note, as Paul Tillich has done, the striking analogies between the prophetic and the Marxian interpretation of history.[11] Both prophetism and Marxism realize that history has a meaning of its own and is thus more than a continuation of general natural process. History has an aim toward which it is moving and which provides meaning to every historical event. Having an end it has a center where this meaning becomes visible and concretely capable of interpretation. In both Marxism and prophetism, of which it is a secular version, the struggle between good and evil forces is the main content of history, the evil forces being those of injustice which must give way to the ultimate victory of justice. There is here, therefore, an eschatological tension which clearly differentiates it from a static sacramental or mystical religion. In the light of the ultimate good both Marxism and prophetism attack the present order of society and personal piety, challenging concrete forms of injustice and threatening the overthrow of those governing powers responsible for social injustice. Both, again, expect catastrophe or a series of catastrophic events to mark the transition from the present corrupt age to the final establishment of the kingdom of justice. Both see minority groups as the bearers of the meaning of history, the free actions of these groups being considered as the instruments of historical destiny. Both are thus dialectical.

Marxism, however, lacks a thoroughgoing dialectic and at its best is but a secularized version of a profounder religious philosophy of man, society, history and God. Its secularism causes it to capitulate to the power struggle and to absolutize its own success and it thus loses the critical power of prophetic justice applied to itself. In its decadent Russian or Stalinist form, its false collectivism is actually swallowed up by remnants of primitive Russian society and the unity of irrational liturgical religious orthodoxy.

The conflict between the major Christian tradition in the churches of the West and contemporary Russian communism is obvious from the relationships which obtain not only in the U.S.S.R. but also in the legislation over church matters in communist controlled countries like Albania, Bulgaria, Czechoslovakia, Hungary and Roumania. The world-wide tension between Christianity and communism reflects in part the struggle between nations to which the church has accommodated itself, but it is also a fundamental struggle for the dominance of certain values in culture and civilization.[12] How far Russian justice goes in its subordination of man to the collectivity is seen in the parental conception of law.

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[11] Paul Tillich, *The Protestant Era*, pp. 253-256.

B. Parental Law

The parental conception of law is one which bears directly on the issue of responsibility. This conception is emphasized by Berman as one of the most important recent developments in Russian life, though it is rooted in older religious attitudes. It represents another radical departure from earlier communist views of the state and the law. Parental law is law of a new type for it focuses on law-consciousness in the minds of men and seeks to shape and determine law-consciousness by means of official law and its procedures. The law becomes a kind of teacher or parent. The courts are impressed with their educational function. Under the new type of law legal man "is treated less as an independent possessor of rights and duties, who knows what he wants, than as a dependent member of the collective group, a youth, whom the law must not only protect against the consequences of his own ignorance but must also guide and train and discipline." [13]

In this conception of law the state takes the parental initiative in training the citizens in their various responsibilities. The responsibilities are largely imposed upon them but they are handled as wards of society who must be taught their duties and the right attitudes towards those duties. A conception of man is presupposed which stresses the environmental molding of personality and character. The citizen is viewed as a learning member of a growing, unfinished society which is developing to ever higher phases of order. He must be trained, guided, disciplined and protected to this end. Functions which are performed by the family and community institutions in most societies are in the U.S.S.R. performed by the state.

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[12] See J. B. Barron and H. M. Waddams, *Communism and the Churches: A Documentation.* For a summary analysis of this issue see below pp. 239-242.

[13] Op. cit., p. 204, see the whole of Part III.

Contrary to the earlier communist view, when the state was regarded as an instrument of a coercive class, and when the expectation was that the state and its law would "wither away," the new Soviet law regards the whole of Soviet society as a "single great family, a gigantic school, a church, a labor union, a business enterprise. The state stands at its head, as the parent, the teacher, the priest, the chairman, the director. As the state, it acts officially through the legal system, but its purpose in so acting is to make its citizens into obedient children, good students, ardent believers, hard workers, successful business men." Soviet society is thus organic, hierarchical and patriarchal.

The parental view of law and man's relationship to it can be clarified through a brief glance at its various phases. (a) Soviet judges are expected continually to be aware of the effect of their decisions on the attitudes of the public. They must instruct the people in the correctness of their decisions. (b) Pre-trial investigations are extensive with the court taking the initiative in the interests of all litigants. In criminal proceedings, says a former Chief Justice, "the most important function of the Socialist state is the fundamental remaking of the conscience of the people."[14] It seeks to deal with the whole-man ingrafting in him high, noble feelings. (c) The litigant is treated in an atmosphere like that of an American domestic relations court, though with less maturity. The litigant is dependent and needs to be protected, guided and perhaps made over. (d) The psychiatric aspects of the court stress the whole man and the whole community so that the role of the psychiatrist is fused or mixed with that of the law itself. Since conscious loyalty and a conscious sense of social responsibility are to be instilled, there is no sharp distinction drawn between mental illness and legal imputability. The law becomes psychological and psychology becomes legal. Court psychiatry has stressed since 1935 both moral responsibility and free will. Medical and legal criteria are intermingled in practice, however difficult in theory it may be to express their proper coalescence. The object seems to be to stress responsibility and to keep persons effectively performing their expected social roles. Hence the usual psychiatric emphasis on the individual and his needs falls here into the background and the person's own welfare is subordinated to social productivity.

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[14] Quoted in Berman, op. cit., p. 214.

The parental conception of law is clearly evident in the new approach to the family. No longer is the family, like the state, expected to "wither away." The earlier practices of the post-1917 era are repudiated as "left deviation." Now emerges the idea of the "sacredness" of the "socialist" family. The "spiritual side" of marriage and parenthood are stressed as a vocation and the contribution of family life to the development of personality is exalted. It may well be that not merely morality or good taste or the sudden solicitude for the health of women brought the earlier sex freedom to a halt, but also historical forces, social problems, politics, immediate expediency and far-reaching national aims.[15]

Parents have not only a moral responsibility to bring up their children honest and law-abiding. They have a legal obligation to do so as well. Soviet law reaches into the parent-child relationship to implement these ends. Marriage has become a conservative institution. The divorce law is designed now to unite the family, to heal the wounds of conflict and tension. Divorce, moreover, can no longer be obtained by one party merely for the asking. Then, too, the procedure for divorces is expensive. Beginning at fifty rubles for the first divorce, subsequent divorces were increasingly costly, no provision at all being made for more than three. On the other hand, every encouragement and aid is given to the development of large families.

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[15] Maurice Hindus, "The Family in Russia," in R. N. Anshen (ed.), *The Family: Its Function and Destiny,* pp. 111-124.

The relation of labor to management also reflects the growth of parental law. Management in Russia, as we have seen, is given most of the power to administer matters concerning production, while labor unions have extensive control over workers' welfare. There is an effort to surround these two sets of interests with an inclusive collective responsibility in industry and society. It has become evident that planning is not enough to make a socialist society work. There must be contractual responsibility among persons and groups. Both management and workers enter into a collective contract under the guidance of the state. Writing and administering these contracts has an educational function, always being accompanied by mass indoctrination and frequently by dramatic display. A writer on Soviet labor law asks, "Why does the collective contract raise . . . responsibility?" He answers: "Because it is an agreement between concrete persons dealing with the assumption of a series of concrete obligations. Because this agreement embodies the will of the given collective . . . (Because) each obligation is considered and adopted by the whole collective." "The Soviet collective contract contains not only legal norms, but also norms of socialist morality."[16] It is an instrument for educating public opinion and as a "school for communism."

In the settling of workers' grievances, the parental idea also prevails. It appears that the Soviet courts tend to guard jealously the rights of workers in labor cases. Yet the parties in a labor case are not litigants seeking for damages on the basis of broken contracts. The arbiter's task is primarily one of preventing new disputes by handling old ones carefully and constructively. The parties must continue to live together and hence the problems must be solved, not primarily individual or group rights protected. The courts thus exercise a great deal of close supervision over the grievance procedure in a plant. This manner of handling grievances in principle is not too different from that practiced in many places in the U.S.A.

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[16] Berman, op. cit., p. 263.

When we come finally to criminal law it is evident that parental law also dominates, for the state has the ultimate responsibility for "the fundamental remaking of the conscience of the people." Criminal law is devised, therefore, to exert discipline on the people, attention is given to the intellectual and moral capacity of the offender, to his attitudes and motivation in the light of the whole communist objective. Motives are important in economic crimes, but also in the case of counterrevolutionary crimes. Very few cases of counterrevolutionary crimes appear in Soviet legal literature. The explanation is probably to be found in the power of the ministry of the Interior to deal with political suspects. In the case of the purge-trials of 1936-1938 it is noted that these were not trials in the ordinary sense, but great public demonstrations, designed to be "convincing" so that all should "understand the correctness" of the verdicts. Says Berman: "In the Moscow cases, some of the greatest intellects of the Russian Revolution, speaking with what appeared to foreign observers to be complete conviction and sincerity, recounted unbelievable stories of their own perfidy and asked not for pardon but only for the opportunity publicly to confess their sins."[17]

There is a deep conflict between this parental conception of law as the handmaiden of the state and the principles of community and freedom which we have developed above.[18] When the state takes such legal initiative it is no longer the creature of society and the community but its master. No public opinion makes the law its servant. The parental idea of law as developed in Russia is part and parcel of that pyramid of power which we have described in the outline above. What is fundamentally lacking is a full respect for man as a free being participating in group life critically and creatively and truly responsibly. Man is seen as a ward of the state. The Soviet Union has succeeded to an amazing degree in getting widespread participation in the various aspects of national life, and some of it with spontaneous enthusiasm, but it has not provided for maturity.

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[17] Ibid., p. 277.

[18] See pp. 26-30, 53-62, 159-160, 166-171.

There is no real sovereignty in the people. They are responsible in a legal and external sense, but they do not practice the moral life of responsible decision on the basic policies of social existence. As, however, the family develops its new integrity, as religious loyalty to a power higher than the state or communism is practiced, as the imaginations of the people are stirred in the many centers where they participate, a principle of free community may perhaps develop in time, reinforced by literacy and scientific method, which will expose the inner contradictions of the Soviet Revolution to the participating members of the U.S.S.R. in a significant way. The responsible society is not brought into being by setting individualist society on its head. Neither is it born through a simple repudiation of collectivism. Responsible freedom is a mixture of liberties and restraints, an integration of pluralistic and solidaristic realities. It is not individualistic, but personalistic; not tight collectivism or brittle individualism, but a communitarian pluralism. Man and society are not antagonists; neither can they be reduced to each other.

CHAPTER VII

TOWARD A RESPONSIBLE WORLD ECONOMY

I.

THE WORLD ORDER

These essays have been largely concerned with the United States of America and the Soviet Union, but our theme has not been primarily a nationalistic one. Religion and economic responsibility are terms of general application. The religious perspective under which we have been analyzing economic issues is monotheism. That means that we are basically concerned with an integral world-wide community.

Idealism and realism in economic life are today both global in scope and involvement. For better or worse the involvements of American and Russian policies are world wide. Responsibility as a practical vocation in economic affairs has become all-inclusive. Whether a trade unionist, farmer, or manufacturer takes his religious vocation seriously within the framework of American "free enterprise," or whether a Russian delegate to an urban soviet or a leader in a collective farm seeks to think through his communist commitments in Christian terms—in either case he will finally have to take into account the other, along with the whole world in between. To a degree practically undreamt of a few decades ago the inclusive ethical demands of monotheism now encounter and confront mankind. For monotheists there are no foreign economic systems, but only a civil conflict within the world order under God. For monotheists there can functionally be but one order of objective justice. Human rights are rooted in human needs which are essentially the same the world over. Human needs, of course, as here used, refer not to wants stimulated and articulated in a variety of ways in many cultures, but to the common elements in personal actualization. Since God is one, the Kingdom of God is obviously not the American economy, but world economy, and not the world economy as it now is, but the world economic life as expressing righteousness in all its ways. We have stressed thus far the practical problems of American economic responsibility because the readers are likely to be Americans and because we must face our obligations in terms of the situation in which we find ourselves.

Responsibility is always more concrete than the posing of an abstract ideal. Duties are acts we can perform. Hence a discussion of responsibility has to stand on the borderland of present fact and foreseeable consequence, of present situation and concrete possibility. Our discussions have hence appeared less "radical" in the sense of revolutionary extremism than would have been the case if we had simply analyzed from the perspective of the divine ideal and then projected an ideal society in terms of ultimate goals alone. We have taken our position where we find ourselves in American history—a place of convergence of the Judaeo-Christian tradition, of the findings of social science, of clinical experiment in industry, of social engineering actually proposed, and the present stage of development of the national economy.

In the world economy we must begin with the nations as they now are as well as with the goals toward which they ought to be striving. Yet, responsible movement toward greater actualization of responsibility is a concrete possibility. The world is in flux. There is a pervasive revolutionary situation. In the past fifteen years social acceleration has been tremendous. At such a time creative processes may be set in motion which determine subsequent development for many decades; and what may seem in one decade only a remote ideal, may in the next be historical realism. For this reason the religious purposes to which the church is committed wholeheartedly and to which she calls the nations may be even in the present era more realistic than expedient policies which respond to transient pressures.

The personalistic communitarian interpretation of world economic problems does not provide detailed guidance for current day by day economic decisions. However, without the development of world-wide goals and judgments no final solution of the economic crises is possible. One of the most discouraging aspects of international economic tensions and policies is that there is lacking any common conception of man's destiny and the nature of the highest good. Economic philosophers and scientists are coming more and more to realize that the differences in economic systems are much deeper oftentimes than economics. This aspect of the work of economic reconstruction needs increasingly more attention. Nationalism, cartels, imperialism and colonialism, and the conflict of Sovietism with Christianity are among the issues which must be faced before the positive elements in a responsible world economy can be outlined.

II.

NATIONALISM OF POST-WAR PLANNING

The level of national responsibilities at the conclusion of World War II is our concrete point of departure. During the war Lewis L. Lorwin surveyed the post-war plans of the United Nations.[1] In the pattern of social aims he found that practically all the countries aimed to improve the economic and social conditions of the mass of the people. To a degree they all realized that this is the "century of the common man." In those countries where memories of the great depression of the thirties were fresh, the stress was on "full employment" and "security." In the U.S.S.R. and the industrially less developed countries like Latin America, India and China the idea was for "higher living standards" through greater productivity and production. Everywhere the concrete objectives were similar—an increase in material goods, better nutrition, housing, health and education as means for a larger spiritual and cultural life of all the people. Most of the plans assumed or implied that a bettering of the conditions of the people would bring about a greater economic and social equality among all groups and classes of the people.

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[1] *Post-War Plans of the United Nations.* The next few pages draw substantially from Mr. Lorwin's concluding chapter of summarization.

In these plans there was emphasis on social insurance and the expansion of social services, covering, as Beveridge said, all phases of life "from the cradle to the grave." Men, women and children were to be protected against all the major hazards of work and life; to be assisted in getting an education or a vocation, to be helped in providing themselves with better nutrition, decent homes and good health, and to be assured of the means of maintenance in old age. The "Beveridge Plan" in England is a symbol of many plans for which it is also the prototype. There was much attention given to the idea of the "social minimum."

In addition to proposals which combined social insurance of various kinds with proposals to maintain purchasing power and to distribute the national income more equitably, there were plans for rebuilding the various countries, for creating a new and better physical environment for social life after the war. Cities and towns were to be more spacious; more public utilities were to be available; easier and better transportation was to assist in better neighborhood and community life. Thus workers in smaller towns and in rural areas were to have access to many of the same physical advantages as urban and suburban dwellers. In this way the urban-rural gap was to be filled.

Other elements in the post-war plans stressed more education and larger cultural life. Some countries like England indicated a feeling that differences in educational opportunities are responsible for existing economic and social inequalities and for the waste of human and intellectual resources. Some nations planned to stamp out illiteracy and to lay the basis of modern community life through elementary schools.

The social aims of the plans of the various countries in the United Nations thus resembled one another in a marked degree. Similar, too, in many respects were the economic policies which they proposed; the need to develop natural resources, to increase and diversify agricultural production, to expand manufacturing industries, to enlarge the domestic market, and to find export markets for agricultural and manufactured goods. However, the specific methods by which these policies were to be carried out varied considerably, especially with respect to the roles of private versus public enterprise. On this issue the countries of the United Nations may be divided in three groups; first, those like the U.S.A., Canada and Britain, and Australia and certain West European nations where both private and public planning assumed that private enterprise would remain the dominant form. Generally these proposals were intended not only to strengthen private enterprise but to give it larger social purpose and to undergird it by governmental assistance. Secondly, are nations like China, some Latin American countries and central Europe in whose plans a large and permanent place was assigned to state enterprise and to other forms of collective organization, such as the industrial cooperatives use. These countries contemplated nationalization of many basic resources as well as a large part of the heavy industries. Some of these nations are in an early state of industrialization and were moving toward "state capitalism" or a "mixed economy." China is now in the throes of communist domination. Thirdly, there was the group consisting of the U.S.S.R. with its complete nationalization of economic life and centralized planning methods. In almost all the plans of the United Nations there was agreement that government assume the task of providing employment, if and when private enterprise fails to do so. Thus all the plans had schemes of public works ranging from the usual road construction to the building of low-cost houses, schools, hospitals and recreational facilities. In this respect, at least, all post-war plans provided for greater participation of government in economic life.

Within the nations there was generally evident a cleavage reflecting group interests in conflict with national planning. Such groups were economic, social and political. In the U.S.A. and Great Britain the cleavage revolved about such questions as social security and public works. Great Britain, of course, has since the war been governed first by labor and socialist leaders, and now by the conservatives. Its political tensions reflect conflicts in economic policy, including nationalization, and in military defense policies. In other nations the cleavages center about such problems as the degree of post-war industrialization and government control. The war stimulated the growth of the idea of planning, through the series of plans in the U.S.S.R. was also having some influence before then. Planning had, of course, different levels. Employer's groups sought more "planning" to provide employment, develop market demand and improve standards of living. Private groups in most countries conceive of "national planning" largely from the angle of their particular group interests. Efforts at reconciling private and public economic interests under a general national plan were not conspicuously successful. Indeed, the problem in most of the United Nations was how to concentrate the various economic and social groups around a unified national program.

It is instructive to note that in socialist Britain the role of government is conceived cooperatively in relation to both management and labor and not as something apart. Leaders of government, for example, in the annual official *Survey* for 1949 noted the need for increased efficiency, energy, skill and adaptability in production and said: The government can help but "the problem is primarily one for industry. . . . Our recovery will never be complete unless we can develop a keen and adventurous spirit in management, and a readiness to welcome new and improved methods by labour." [2] After a thorough study of British economic life when socialists were in control of the government, Ben W. Lewis points out what seems to be its essential character. His work makes clear how different the democratic process in planning and nationalization is from that pursued in the U.S.S.R. Americans would do well to note the following comments: "British planning is tentative and hopeful—there is far more of prayer and prediction in its make-up than of project and precept. The kind of economic planning undertaken by the British government has been severely criticized in its fundamentals by two groups—those who have seen in it a bureaucratic thrust for power, and those at the other extreme who have felt that it has never amounted to more than a wordy, wishful pretense—a cloak for planners too unimaginative and too timid really to plan. Without any reflection on those in the planning seat, it is fair to conclude that the truth is nearer to the assessment made by the second group than that made by the first—and that it is moving even nearer."[3] J. A. Schumpeter has noted that "most of the 'planning' that has been actually done or suggested has nothing specifically socialist about it unless we adopt a definition of socialism that is much too wide to be of any analytic use."[4] Lewis concludes that "the planning which the British are testing is certainly no threat to democracy; how much it contributes, or is capable of contributing, to the positive direction of the economy is still an open question."[5]

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[2] Quoted in B. W. Lewis, *British Planning and Nationalization* (New York: The Twentieth Century Fund, 1952), p. 31.

But the gravest problem of all, from the standpoint of our theme of world-wide economic responsibility, is that the post-war plans of the different members of the United Nations (and hence their attitudes and ideas) were worked out independently, without regard to their mutual relations. At the conclusion of the war the nations joined in the Charter of the United Nations and during the war they had already accepted the Atlantic Charter and certain Lend Lease agreements. There was a problem, therefore, whether the independent national groups of plans were compatible with international commitments and the need for further international economic cooperation.

This is a serious problem. The larger and stronger nations can put into effect policies without much regard to what is done elsewhere, consulting only their apparent or immediate national interest. This applies to items like social security, land distribution and ownership, town and country planning, and even public works. However, most of the proposals for the development of national resources, industrialization, and economic expansion cannot be realized in one country without greatly affecting economic and social conditions elsewhere. Let us illustrate the problem of interdependence and the consequence of mere national interests by the plans on employment. Many of the plans explicitly stated or implied that "full employment" and higher living standards depend, to a large extent, on the way the home markets are reserved for domestic industries. Along with this they stressed the need for foreign markets. Then, too, there was a demand that a balance be maintained between agriculture and industry, even if that meant an enlargement of the domestic output of agricultural commodities which were formerly obtained through imports. Such a combination of policies prosecuted under the principle of national sovereignty and the autonomy of national economic interests can only result, as Lorwin and others have pointed out, in aggravating the international issues raised. Such measures as we have just indicated were mixed in the post-war plans with measures like these: large public expenditures for public works on the national level; subsidized housing and government subsidies to industry, which affect fiscal and monetary policies; protective tariffs; exchange controls; export subsidies; import control; and government supervision or direction of foreign trade.[6] In other words, the integral conception of world trade had hardly penetrated the thinking of the planning groups.

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[3] Op. cit., p. 40.

[4] *Capitalism, Socialism, and Democracy* (3rd ed.), p. 410.

[5] Op cit., p. 41.

The thinking habits seem to be that international policies are to be adjusted to national aims, not vice versa. Nationalism has always had this effect; it subordinates the domestic life to the nation and it subordinates international life to national interest also. Such a situation is rendered even more complex and difficult by the plans of some nations to get help from abroad in their own programs, while surrendering nothing in their own nationalistic development. The first requirement for a responsible world economic life is to achieve a world outlook and then to function effectively within that inclusive perspective. Christians are bound by the principles of monotheism, personality and community to conceive their responsibilities and that of the groups of which they are members under this inclusive loyalty. They have the further obligation to keep this reality steadfastly in mind as a goal of economic and political thinking. Then, too, this frame-of-reference must be taught to all interest groups and nations. The true is the whole and the whole belongs to God.

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[6] Ibid., pp. 296-297.

III.

THE CHALLENGE OF CARTELS

National plans and national sovereignty cut across the fact and practice of international cartels. Cartels wield great power in world economic life. Just as in the nation the political power, so on the international scene the presence and power of cartels challenge both the nation and the international community to assert appropriate authority and to dispose of cartel power. "A cartel," says Stocking and Watkins, "is an arrangement among, or on behalf of, producers engaged in the same line of business with the design or effect of limiting or eliminating competition among them." [1] The word "cartel" comes from the Latin *charta,* meaning a paper, or a writing, or a letter. Until modern times the term had chiefly a military application, denoting a written agreement between belligerents for the exchange of prisoners. It may have been this significance of a temporary truce among rivals that suggested its adaptation to trade terminology.

Cartels may be set up among rival business enterprises by direct negotiation and mutual commitments or they may be established by governmental treaty. Examples of cartels set up by private business interests are those in aluminum, explosives, glass, and wood pulp. Examples of those established by treaty are in tin, rubber, tea, and sugar. Some cartels are established by unilateral governmental action like those in Chilean nitrate, Dutch quinine, Japanese camphor and Danish cryolite. In all cases they seek to free producers from the influence of market forces and to subject the market to deliberate, concerted control, by and for producers. Thus they represent a type of economic planning—planning primarily for the protection and promotion of producer interests.[2]

Producer planning on an international scale became a marked if not the outstanding characteristic of business between World Wars I and II. In countries like Japan and Germany scarcely a major product came to market free from cartel controls. Even in Britain and America business men were turning away from competition to regulate economic activity and toward cartels to temper competitive forces and diminish business risks. Charles R. Whittlesey holds that if Germany had won the war, cartels would have become the dominant form of business organization throughout the world, and the U.S.A. would have had no choice but to accommodate our economic conduct to it.[3] It has been estimated that in the American economy the influence of international cartels was already marked before World War II. In 1939 about 87 per cent by value of mineral products, 47 per cent of agricultural products, and 43 per cent of manufactured products came to market under cartel regulation.[4] Many defenders of "free enterprise" seem unaware of this characteristic of American economic life or complacently accept it along with big business.

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[1] George W. Stocking and Myron W. Watkins, *Cartels or Competition,* p. 3.
[2] Stocking and Watkins, *Cartels in Action,* pp. 3-4.

We cannot overestimate the contribution to the cartel movement which war and threatened economic instability brings. During World War I, with widespread mobilization of industry, business men discovered the possibilities of the modifications of competition. Hundreds of trades were organized for the first time into national associations Practices looking to efficiency in production, price control, conservation, control in quantity of production, and the like were inaugurated everywhere. When the war was over, business men in America and in Europe acclaimed the decisions of their government to abandon the wartime policy of centralized coordination and coercive control, but they showed no disposition to give up the advantages of mutual cooperation. The slogans "less government in industry" and "self-government in industry" showed that business did not wish interference by government, but neither did they wish to forego in peace the advantages of centrally coordinated industrial activity. The "organizational revolution" has become a positive force in social economic life.[5]

We cannot tell the full story of the great cartels. Their story is written against the background of world-wide confusion, market chaos, absence of an international community, and the growing threat of war. For example, during the twenties the world stocks of wheat increased by 50 per cent and both sugar and rubber stocks more than doubled. In a number of mineral industries surplus capacity steadily accumulated. In such a situation the line of least resistance was to restrict production and maintain prices rather than to abandon unprofitable ventures and seek better returns elsewhere. What happened in agriculture had its analogues in manufacturing and in the sphere of monetary instability. World War I was financed everywhere through inflation. Thus war finance debased the currency in all the principal belligerent countries. Monetary risks following the war were enormous and business men turned to cartels in part as a strategy to meet them. In addition there were governmental acts such as protective tariffs. Outside of Russia industrial coordination programs developed mainly through the voluntary action of business men. These took place both domestically and on the world market.

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[3] Charles R. Whittlesey, *National Interest and International Cartels*, p. 157.

[4] Stocking and Watkins, *Cartels or Competition*, p. 93.

[5] Kenneth Boulding gives this conception major consideration.

We have noted in earlier chapters the growth of concentration of economic power in the United States. Monopoly tendencies developed against the background of traditional competition. On the other hand, in Germany the tradition of free enterprise and competition had never been strong. Cartels were natural to its economic tradition. In the 1920's giant combines came to the fore: the full-blown corporate amalgamations, the I. G. Farbenindustrie (the chemical trust), the Wintershall potash combine, the Vereinigte Stahlwerke (the steel trust), the Vereinigte Aluminumwerke (the aluminum trust)—the last two partly financed and owned by the state. These big business units ranked with older concerns such as Metallgesellschaft in nonferrous metals, Krupp in iron and steel, Stinnes in coal and electricity, Allgemeine Elektrizitäts Gesellschaft and Siemens-Schukert in electrical appliances and equipment. A complex web of joint interests, mutual interdependence, and common association (through banking affiliations, interlocking directorships, and frequently even family connections) bound all of them indissolubly together. The capstone of this centralized structure of German industry was the Reichsverband der Deutschen Industrie (National Federation of Germany Industry).[6]

When the Nazis came into power the cartels were not impaired. Indeed, "under the Nazis, the more things changed, the more they remained the same."[7] We do not find, therefore, any necessary change in the power structure of cartels when a nation changes its form of government from monarchistic capitalism, to a republic and then to fascism. No extensive socialization of industry had really taken place in Germany during the Weimer Republic days, so far as the basic industries were concerned. The Nazis streamlined and further centralized the cartelized structure of German industry. It has been estimated that of the 2,200 pre-Nazi cartels, only about 500 survived in 1941. The rest had disappeared through reorganization and consolidation.[8] Those who occupied the seats of power in Germany's highly unified industrial system had a strong incentive to extend their influence abroad through the promotion of international cartels. "Infiltrating democratic economies, they imposed cartel restrictions on investment, output, and employment. These restrictions helped, whether so designed or not, to soften up the democratic countries for diplomatic strokes like Munich, and even for military conquest."[9]

The experience in Great Britain paralleled the development of industrial policy and structural reorganization of the U.S.A. and Germany. At the conclusion of World War I the British Committee on Trusts reported (1919) grave concern over the "increasing tendency to the formation of Trade Associations and Combinations, having for their purpose the restriction of competition and the control of prices."[10] "Freedom from public control," they said, "will . . . mean not free competition, but concerted or unified control by private interests." Ten years later, however, in an effort to assist Britain regain her prewar supremacy in world markets the Balfour committee tended to look with favor on "growth and regrouping of units through consolidation and other forms of association." The only safeguard the committee proposed against possible abuse of monopolistic power was publicity. Some in the committee felt that a new situation was facing Britain. "At bottom it is a change not only of mechanics, but of motive. The keys to the new order are not competition, individual acquisitiveness or self-seeking, but coordination, science and service." "Coordination is the major premise in the full application of scientific results to industry, both in the utilization of research, the training of management, the pooling of ideas, and the establishment of cooperative selling organizations." [11] The proposed policy was designed to fortify British industry in a cartelized world economy. The elimination of competition among domestic concerns inevitably paves the way, say Stocking and Watkins, for the elimination of competition among companies operating in world markets. Along many lines, which cannot be traced here, Britain moved in the new direction.

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[6] Ibid., p. 48.
[7] Ibid., p. 50.
[8] Ibid., p. 50.
[9] Ibid., p. 51.
[10] Ibid., p. 51.

In the chemical field, to take one illustration which will stand for many others, Sir Alfred Mond organized Imperial Chemical Industries, Ltd., and under his guidance it became the dominant factor in British chemical markets. With I. G. Farbenindustrie of Germany and Du Pont of the U.S.A., ICI became one of the major factors in world chemical markets. Sir Alfred Mond was the spokesman of an influential group of British industrialists who openly renounced faith in competition. He looked upon the combination movement within national areas not as an end in itself, but as a means of achieving cartelization on a world basis. "It must be predicted immediately that amalgamations within national industries are an essential prerequisite to the conclusion of international agreements." [12] In 1927 D. H. McGregor of Oxford opened his monograph on *International Cartels* prepared for the League of Nations in connection with the World Economic Conference thus: "It is to be observed at the outset that the idea of regulating output by concerted arrangements between producers is no longer seriously opposed by economic theory or public policy."[13]

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[11] Ibid., p. 53.

[12] Ibid., p. 59.

After another decade the leaders of British industry became so involved with the above philosophy that they gave practical expression to it in the Düsseldorf Agreement. This economic philosophy which was borrowed from Germany led them to see no irreconcilable opposition to their interests in German cartelized industry, even under Nazi control. The object of the Düsseldorf conference of March 15-16, 1939 was a general agreement between German and British industry to replace competition by cooperative exploitation of world markets. It was a plan to complete the cartelization of the world economy. Say Stocking and Watkins, "Düsseldorf was no less a German victory than Munich, which came three months earlier. Significantly, the invasion of Poland, which started a new world war, followed within a few months these twin German triumphs, political and economic."[14] The Agreement which is too long to be quoted here was an official document of the conference whose negotiations had been conducted by officials of the British and German Governments.

The relation of cartelization to nationalization in Britain is frequently underestimated when it is not overlooked. Since 1930 British industrialists, over a wide area, have looked less and less to themselves or to the market, but have turned to their trade association executives and committees for direction on prices, output and practices. Quite in advance of any threatened nationalization, much of the drive, initiative and freedom supposedly characteristic of free enterprise had passed from the English scene. "Cartelization," says B. W. Lewis, "accepted and encouraged as the dominant form of business and industrial organization, sets the stage for, if indeed it does not invite, nationalization."[15]

When the labor government took over the power, it made as the basic premise of its nationalization program the need for industrial coordination under public control. It showed, however, solicitude for consumer protection. Moreover, while Britain borrowed the German cartel system, it rejected the totalitarianism. Britain is attempting to combine nationalization and coordination for favorable world trade relations with the subordinating of the machine to humane ends. The struggle for national survival is intense. Militarization tends to sabotage its role in constructive international cooperation.

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[13] Ibid., p. 60.

[14] Ibid., p. 61.

[15] Op. cit., pp. 47-48.

The cartel movement spread over the whole world, in Japan, Italy, France and elsewhere. But in none was the evolution such a break with the past as in Britain. The 1930's saw the governments of the leading exporting countries sponsor international control schemes to regulate export of wheat, sugar, tea, coffee, tin, and rubber. The cartel arrangements varied greatly in scope and form using voluntary and compulsory elements and combining sometimes many control devices.[16] Only in America is there widespread sentiment in favor of private enterprise and free competition, and even here, as we have seen in previous chapters, the issue is confused by a lack of appreciation for the actually mixed character of the economy and the interdependence of the elements in the traditional economic system.[17] As the present post-war period develops, and the export trade of other countries becomes more active, and the present advantage of American firms, due to the war and the resultant decline of German and British economic power, tapers off relatively, there is bound to be a resurgence of cartelization.

The times are unfavorable for the restoration of competition. In Europe, Asia, Australia and South America the people look increasingly to their governments for paternalistic guidance and support. Some of this reflects the spreading influence of the Soviet experiment. The example of the strength and unity that Russia displayed in a great crisis has quickened the imagination of the common people and has made them receptive to social experimentation. Collectivism, however, is not indigenous in the U.S.S.R. but comes itself out of Western Europe. The contemporary spread of economic collectivism probably owes more to the pressure of facts than to the logic of ideas. People respond to collectivization in times of destitution just as corporations seek cartels when competition is too keen. The Great Depression, the militarization of the world economies in the war, the destruction of towns and industries, and the post-war millions of starving, dispirited people all contribute to a social situation in which the trend is likely to be even further away from "free enterprise" to planning, on the one hand, and cartels, on the other. Cartels have long been described by German writers as "Kinder der Not," children of adversity.[18]

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[16] Stocking and Watkins, op. cit., Chapter 3, "Forms and Scope of the Cartel Movement."

[17] Ibid., p. 376.

A responsible policy with respect to cartels cannot be isolated from other elements in a comprehensive world program of reconstruction and rehabilitation, including the fact that at present national sovereignty still dominates economic aspects of world trade so far as the U.S.A. is concerned. The broad national objectives cannot be ignored; preservation of national security, protection of public health and morals, freedom of the individual both politically and economically, maintenance of high employment and encouragement of economic and cultural progress. Moreover, American industry is definitely expansionist, even when it is not as venturesome alone as formerly. Again, cartel policy must be formulated with a realistic view as to the power which lies behind cartels. Some power is inherent in cartels themselves, some in the governments behind public cartels, and some in the nature of legal patent rights. The present patent law was last changed in 1836. The patent clause in the Constitution had as its purpose "to promote the progress of science and useful arts." Many authorities are convinced that in many instances patent privileges have been employed instead to establish and maintain restrictive monopolies. It might well make for responsibility if the provisions of English law were employed which require that a patent be worked if it is to retain its validity and making licensing compulsory. In any event, action in one country should not be taken apart from consideration of the effects on other countries, for the "interdependence of our policies and the policies of other countries is a measure of the responsibility which attaches to any decision we reach; the course we follow on cartels will influence the development of international commercial policies in the coming years." [19]

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[18] Whittlesey, op. cit., p. 12.

One lesson, at least, we may learn from the cartels. Negotiation and the conference table, with resultant compromise, may be better for all concerned than warfare. A second lesson may also be learned: that the world economic process has outgrown the political structure. National sovereignty, even as modified by the U.N., is anachronistic from a political point of view and idolatrous from a religious perspective.

IV.

IMPERIALISM

A religious concern for world-wide economic responsibility takes into account not only the kind of planning which has characterized the nations, and not only the growth of cartels and other restrictive practices, but also the fact and the consequences of historic imperialism. The upsurge of peoples from below, especially in colonial areas, against the long suffering of the plundered poor, is a major aspect of post-war economic life. In 1945 the National Study Conference on The Churches and a Just and Durable Peace spoke directly to the problem of dependent peoples: "Long and intimate relationships with the dependent peoples of Africa, Southeast Asia, and other parts of the world, place on the Christian churches a responsibility to champion their right to freedom and to develop their capacity for self-government. We therefore call upon our government and others: (1) to proclaim self-government as the goal for all dependent peoples; (2) where dependent peoples are ready for self-government, to give it now; (3) otherwise, to initiate progressive steps suitable for each area for achieving that goal; and (4) in the interim to provide that all such areas shall be administered under the supervision of world organization. We cannot in good conscience be a party to the dismantling of Japanese colonial possessions without at the same time insisting that the imperialism of the white man shall be brought to the speediest possible end. We cannot have a sound or stable world community so long as there is enforced submission of one people to the will of another whether in Korea, in India, in the Congo, in Puerto Rico or anywhere else."[1] Anywhere else includes today the inhuman segregation policy now being prosecuted in South Africa, not without the consent of the church in whose fellowship the leaders of *apartheid* are members.

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[19] Ibid., p. 155.

Much of the history of economic and political imperialism is wrapped up in what we have already sketched under the topic of the cartels. But imperialism is a much more complex idea than that of economics reinforced by politics such as Lenin defined it.[2] He viewed it as a particular stage in the development of the capitalist system. We do well to use the broader definition supplied by Moritz J. Bonn: "In the broadest sense of the word, imperialism is the policy of making and maintaining an empire, i.e., a large composite state—presumably by force; it implies domination backed by military power over a widely diversified area and over the several nationalities which inhabit it. It covers both ends and means. It indicates the use of force-conquest, occupation, and the subjection of vanquished populations. But imperialism and force are not identical."[3] The complexity and variety of imperialism are apparent when we consider American power in its past foreign policy toward Latin American countries, European colonialism, territorial aggrandizement, political imperialism, cooperating imperialism, cultural imperialism, agrarian aggression, commercial and managerial imperialism. Bonn holds that "the economic essence of imperialism is predatory; plunder, not profit, is its aim. It prefers exactions to exchange and looks upon commerce as an inferior substitute for conquest. Its representatives are soldiers, who crave profitable adventure, and merchants bent on limiting the risks of competitive markets."[4] Capitalism and imperialism are not identical, though some of the worst phases of colonial exploitation have involved a mixture of the two. Bonn goes too far, probably, when he insists that the distinguishing point of imperialism in, for example, sugar plantations in the East Indies is the presence of forced native labor. A money economy may be quite as coercive by its indirect legal sanctions as the direct enslavement of the worker. Bonn is right, however, in lifting up such factors as the rate of exploitation, the social conditions under which the work is done, the greater or less perfection of technique, and the permanent benefits a country does receive in return for an inevitable diminution of its natural resources.[5] Financial imperialism has seldom, if ever, operated alone and generally has been the handmaiden not the master of politics, though in the case of the U.S.A., the influential economic groups sometimes have acted like a state within the state.

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[1] "A Message to the Churches" (Cleveland, Ohio: Jan. 16-19, 1945), p. 13.

[2] N. Lenin, *Imperialism.*

[3] Moritz J. Bonn, "Imperialism—A Sketch," in Lyman Bryson, Louis Finkelstein, and Robert M. MacIver (eds.), *Approaches to National Unity,* pp. 92-132.

The interrelationships of political and economic and military power in imperialism are clear when we note that American economic imperialism in the Caribbean was not based on money so much as on the Marines. Moritz Bonn contends that no country has ever been forced into submission by purely economic pressure. "Pure economic imperialism, i.e., the use of exclusive economic means for the attainment of domination is not workable. Once the use of military and naval compulsion has been renounced, economically backward countries cannot be browbeaten into submission; they hold the trumps. They can live without foreign immigration; they can do without foreign loans. After they have got them they, and not their creditors, hold the whip hand. They can stage the most fraudulent bankruptcy with impunity."[6]

It is clear that not only do the above conceptions conflict with the Christian faith, they conflict with the democratic goal which is so largely the dream of mankind. Democracy and imperialism are contradictory; one is based on consent, the other on coercion. They tend to "corrupt" each other; democracy vigorously prosecuted in the home country weakens the imperialism abroad in the long run; and imperialism tends to corrupt the quality of democracy.[7] The way out is a responsible world economic and political community in which the economic structure is answerable to effective political structure and in which the latter is accountable to the people. On the other hand, imperialism is bound to be an important factor in world affairs so long as the national powers retain sovereign prerogatives, engage in a power struggle, and use military sanctions to conserve them. Even so, the native populations conspire with the new order to liquidate colonial imperialism. In so doing they may be tempted to enter a new age of nationalism, for the first impulse is not genuine and mature internationalism, but a quest for recognition to be independent, not interdependent. If the new national freedom is supported by aid from more developed countries so that standards of living can be raised and the economy made more productive, it can contribute to responsible world community.

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[4] Ibid., pp. 95 f.

[5] Ibid., p. 108.

[6] Ibid., pp. 116-117.

V.

THE SOVIET POWER

The failures of capitalism, the failures of the fascist powers, the failures of Western democracies, and the failures of the Christian church have created moral, political, and economic vacuums which everywhere in the world are being filled by Soviet power and other revolutionary forces. We noted in our first essay the reasons which the World Council of Churches Assembly gave for rejecting communism as a system. They need not be repeated here. But rejection of systems and ideologies as one's own still leaves the problem of practical cooperation open. We must face the problems of conducting business in the world on a genuine international basis. Can communistic Russia, semisocialistic Britain and France, and capitalistic America work together in the economic field? How can sufficient political accord be reached so that a basis for economic cooperation can be found? Internationalism is not a peculiarity of any particular system. Collective economies can be self-sufficient and nationalistic or they can be international. Hence internationalism as a program is not theoretically ruled out. There must, however, be a will to world economic cooperation and faith that the vulnerabilities attendant upon cooperation will not be intolerably exploited by those with a contrary ideology. The solidarity of mankind transcends the conflicting patterns of civil and social justice.

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[7] See E. Heimann, *Freedom and Order,* pp. 125-137.

It is not likely that the Soviet Union will be willing to integrate its economy into a world economy of international division of labor and multilateral trade in the foreseeable future. Russia officially waits for the dialectic of history to dispose of American capitalism and hence of its power. Many Americans pray for an anti-Stalin rebellion and even a revolution in Russia. There is little evidence that Russia will not continue to prosecute socialistic autarchy even while she supports communist dominated native and national revolutions in Europe and Asia. In the foreseeable future she will modify autarchy by necessary trade treaties and she will consolidate wherever possible the areas swept by revolution.

The factors which stand in the way of international cooperation, in addition to the above, would seem to be (a) fear by Russia of capitalistic encirclement, (b) the trade policy of the planning programs whereby the Soviet leaders have sold abroad only the minimum amounts necessary to pay for the machinery and technical assistance urgently required for rapidly building up her heavy industries, (c) the fact that the Soviet foreign trade monopoly is itself a super-cartel and hence the Party bureaucracy is not likely to look with favor on an anti-cartel policy that applies to Russia. It is significant that Russia has taken no part, even consultatively, in the United Nations Conference on Trade and Employment and brusquely rejected the

Marshall Plan. She is not likely to participate in any program that would cooperate to make a private enterprise, free-market effort work more effectively. The essential object of the International Trade Organization is to permit buying and selling in world markets with as little obstruction as possible by tariffs and cartels.[1] Thus the obstacles are formidable.

In non-Soviet countries there are also fears of considerable freedom of the market. Some governments continue to fear that participation in a system of freer trade will expose their economies to great unsettlement because the American government does not, they feel, fully appreciate its responsibility to abate the violent periodic disturbances to which the American economy is subject. With so large a portion of the world's business concentrated in the U.S.A. and dependent on it, one of the greatest contributions it can make to world peace is stability in its own economy. Another fear that other countries have of the U.S.A. is that freer markets will open the door, not to competition, but to the destructive competition of American monopolistic business. Thus, while they welcome American loans and investments, they fear the growth of a kind of imperialism.[2]

Returning now to the role of communism, the Christian churches need to take account of the perspective given at the Bangkok Conference in 1949.[3] This was a conference on Christianity in the Far East. "The Christian must distinguish between the social revolution which seeks justice and the totalitarian ideology which interprets and perverts it. The Christian church must welcome the demand of the peoples for a fuller participation in the life of society at the level where power is exercised, since this is an expression of human dignity; and the rise of communism is a judgment on the churches for their failure to do so. Nevertheless the struggle for justice frustrates itself if the evil forces inherent in any human situation are not held in check. Because communism lacks a conception of the independence of moral reality over against power, it denies the supremacy of the moral law over power-politics and hence in the long run defeats the very purpose of the social revolution. This ideological error in communism which turns a social revolution for justice into a new oppression, arises out of the self-righteousness of its militant atheism; and at this point the conflict between Christianity and Communism is fundamental." In such a situation Christians must realize that democracy also, apart from Christian motives and values and adequate moral foundations, will tend to break down. In power-politics all nations tend to act pretty much alike. It is necessary in East Asia, the Bangkok Report states, to understand and explain the true nature of the social crisis. Churches should take the initiative in bridging the gulf between the church and organized labor in town and village; this challenges Christians to a tremendous task of communication. It involves Christians who "identify themselves in a costly way with the day-to-day struggles of laborer and peasant for justice." Keeping in mind the analysis of the previous chapter we may now summarize the relations of Christianity to World Communism.[4]

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[1] Stocking and Watkins, *Cartels or Competition*, pp. 383-399.

[2] Ibid., p. 395.

[3] "The Message and Reports of the Eastern Asia Conference" (December 4-11, 1949).

The all-absorbing conflict around the world arises from the sudden emergence of communism as a world movement and as an organized political reality. Beginning as a critique of capitalism and a revolt against the restrictions of its culture, communism now embraces more than a third of mankind and seeks to dominate the future of global society. Christianity has a complex relationship to this great development. There is no simple relation between Christianity and economics. The church must accept the tensions which arise both in technologically advanced and in technologically backward countries, that is, those highly developed in the capitalist tradition and those now responding to the leadership of Soviet Communism.

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[4] The following five paragraphs have appeared in a pamphlet prepared by the writer and his colleagues in Boston University School of Theology, entitled "Christian Faith and the World Crisis" published by the Commission on World Peace of the Methodist Church, April 15, 1952.

Thus for Christianity there is no simple conflict with communism, but the conflict exists on many levels and in many degrees. Communism itself has drawn heavily on the ethical heritage of Judaism and Christianity. Its initial aims to rid the world of exploitation, to set up a classless society, to build a community where the repressive functions of the state will be overcome and a society in which each contributes according to his ability and receives according to his need are all elements rooted in the Judaeo-Christian tradition. At the same time modern communism, in rejecting Religion, is not a simple pagan reality. It is a rejection of Post-Reformation Christianity, both Catholic and non-Catholic. In its militant atheism it claims to have weighed Christianity and to have found it wanting. From the standpoint of Christianity, Soviet Communism offers a scheme of social redemption that is shallow and self-defeating; it reinstitutes a class pattern in society quite as rigid as those which it sought to overcome; in conquering capitalism's exploitation of persons, it has re-established totalitarian state slave-labor; it denies both the activity of God in human history and the rule of all objective spiritual laws; it violates the moral principle of the unity of means and ends and openly claims that it is not bound by moral law with respect to its enemies; and it fastens upon the people a dictatorship in political life which denies the Christian vocation of freedom.

While Christians know the relationship of Christianity to communism to be exceedingly complex, they also recognize within communism itself a mixture of many elements of democracy and autocracy. The dynamic struggles for power within the Communist Party have generated dilemmas which affect the relationship of the above-mentioned elements to each other. Both within the Soviet Union and in the countries under its influence, within opposing national groups, and in the world-wide party struggle, the democratic equalitarian and libertarian tendencies have been progressively sacrified to the authoritarian, dictatorial, and totalitarian tendencies. Christians must take account of the fact that in the struggle for power in the communist movement there has been restriction of effective participation on the part of the people both in the party and in the government; there has been economic exploitation of the city factory worker; there has developed cruel repression of peasants; there has been a rebirth of anti-Semitism; and there has been deliberate effort to use the institutions of religion for the ulterior ends of the state.

Nevertheless, communism continues to make its appeal to millions of the common people who are caught in the global revolution of our age. It claims with partial truths to meet the real needs of our age and of real people. To the exploited, it promises freedom from economic injustices; to peasants, it promises land; to peace-lovers, it promises a reign of international cooperative harmony; to subjects in colonial areas, it promises autonomy and political freedom; to intellectuals, it offers the ideal of an economic social order free from the contradictions of Western capitalism. But while each of these appeals touches real issues and claims to meet real needs the total movement destroys the very ends which it promises to create.

Therefore, the Christian message of our day and the strategy of the church must present a concrete unity of theory and practice so realistic and yet so comprehensive that it can meet the needs of those to whom communism appeals. At the same time, it can offer to the international community a social philosophy and a theology which are coherently true. Christianity does not exist to defend any particular economic order. Some Christians living in countries under Russian influence, in the Soviet Union or in the areas torn by revolution, have come to terms in one degree or another with this movement which is such a mixture of good and evil, while others suffer persecution in order to maintain Christian integrity. Christians everywhere are called upon to evolve a social program which will unite the Christian resources of the world in a constructive and vital community which combines both the truth in collectivist philosophies and the truth in the philosophies of freedom, with *Christian criticism of all economic and political orders*. Our deepest concern should be not whether a system is "democratic" or "communistic" but whether it serves, by its means as well as by its ends, the common good of all mankind.

VI.

POSITIVE ELEMENTS IN A RESPONSIBLE WORLD ECONOMY

Our discussion brings us to certain generalizations about the relation of religious insight to the world economy.

(1) The first of these is the importance of a religious view of the world, of man and of society. Economic systems are of many types and are interlocked with their respective cultures as a whole. They are essentially instrumental since they deal with the means of life. Hence they adapt themselves to the goals which are resolutely sought. The goals of a culture are therefore of the highest economic significance. In a time of great transition such as the world is now experiencing the energies of peoples will be canalized according to the values in which they have faith. The deeper aspirations of the common people correspond essentially to the communitarian ideals of the gospel. This is evident from the response of American labor to the social creeds of the churches and the universal approbation of the Bill of Rights and Freedoms developed in the Commission on Human Rights of the UN. Christians and churches are therefore called upon to evince special devotion everywhere in the world to the principles of personality and community and to formulate proximate social programs which will guide men and women in the reconstruction of their respective economies. The mountains of economic confusion and exploitation cannot be removed apart from a powerful faith. Religious insights are not restricted to goals, but also provide criteria of judgment and analysis. The latter, however, receive their significance from the religious grounds of righteousness and love.

(2) The interaction of value-impregnated beliefs and technics is part of the total world political problem today. A responsible world economy is dependent in large part on a responsible political community. The United Nations and its agencies are therefore an important part of the political solution. It is in political terms that nations must make their commitments one to another. Unless the

nations are willing to subordinate their national sovereignties to the will of the whole, and unless the political instrument of the whole has a Bill of Rights and Duties under objective moral law, it may be impossible to effect the kind of economic responsibility which the times demand. The United Nations is probably already an anachronism in a world which requires an instrument of greater inclusive authority. At the same time, the Universal Declaration of Human Rights which was adopted by the General Assembly of the United Nations of December 10, 1948 is an important group of concrete goals which can guide many institutions and nations to their mutual benefit. Christians all over the world can find in them points of reference in measuring political, social and economic proposals. These are in harmony with charters of human rights, especially religious rights, which have been adopted by the National Council of the Churches of Christ in America, the World Council of Churches, and the International Missionary Council.[5] Christians in their critical loyalty to the U.N. will seek to supersede it.

(3) Christians must affirm that men are all members of one another. They are interdependent. The needs of all establish rightful claims on the community as a whole. There is, however, no equal distribution of natural resources or of economic power. Since men hold whatever goods or talents they possess as stewards of God, and since their vocation as workers or leaders in industry is communitarian, the moral responsibilities of those favored with wealth and power are tremendous. Americans cannot escape the obligations which go with their holding nearly half of the industrial production of the world. They cannot escape the obligations attendant on the fact that their per capita income is ten times that of persons in twenty-eight comparatively underdeveloped countries representative of two-thirds of the world's population. To whom much has been given, of him much is required. Americans cannot escape the obligation to use the nation's economic strength so as to contribute to a just and durable peace, to their own stability, and to world assistance along sound lines

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[5] See "The Churches and Human Rights" (an Official Statement adopted by the Federal Council of the Churches of Christ in America, 1948).

of development. To conquer the cyclical fluctuations of the American economy is to add to the stability and possibility of peace of the world. But self-centered stability may also be a curse and a source of envy and bitter resentment. Christians must seek to overcome the power of special interest groups for the sake of the world community.

(4) There must be an ongoing program of rehabilitation of men and the meeting of elementary needs in famine ridden countries. The most basic productive factor in any economy is men. Hence humanitarian relief is not only elementary charity but it is fundamental economics. Helping famine sufferers become employable persons and producers makes them more responsible agents in the intricate pattern of international economics. The assistance of every able-bodied human being in the world would be conducive to a sound economy. Meeting famine needs should, of course, be separated from all political questions so far as the decision to give assistance is concerned, but the constructive consequences of such assistance are real fruits of the spirit of friendliness and compassion, yes even of justice.

The National Study Conference on the Church and Economic Life[6] in 1950 took the view that "it should be the policy of the United States that if surpluses of food and agricultural raw materials occur in this country, every reasonable effort should be made to get them into the hands of those who are inadequately fed or clothed either at home or abroad. The occurrence of such surpluses may indicate a wrong use of productive resources, faulty methods of distribution, or unwise policies. Policies which have led to their accumulation should be reexamined."

(5) The economies of the world are diverse.[7] A responsible world economy will arise not by external imposition of a plan from without but by evolution according to the type of economy most congenial with the historical background of the people involved. Free-enterprise and free-competition cannot, of course, be imposed from without. That is a contradiction in terms. But some Americans

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[6] Detroit, Michigan; Feb. 16-19, 1950: "The Responsibilities of Christians in an Interdependent World," pp. 23 f.

[7] See Lewis L. Lorwin, *Time For Planning,* Chapters 15-17.

have tried it, and some would still advocate it. Most of the world desires some other instrument for human welfare than our semi-monopolistic capitalism. Respect for men and the idea of voluntary association must accept that fact. This does not mean that underdeveloped countries must forever lie static and outside the orbit of the benefits of industrial production, but it does mean that evolution must be a cooperative affair in which basic cultural factors are appreciated and respected.

Willard L. Thorp, the Assistant Secretary of State for Economic Affairs, illustrates the above point on basic cultural factors by an incident on a South America project. "We arranged," he said, "for some Indian farmers to be moved from barren ground high in the Andes to rich bottom land along a mountain river. These Indians were given animals and tools appropriate to the cultivation of flat land. They were supplied with improved seed. A year later, the American technician returned to visit the Indians. He found they were not cultivating the flat land. They had climbed up on the steep hillside and were planting their corn by poking holes in the rocky ground, just as they had done for centuries, high in the Andes. Such habits do not change easily. It may take a generation of young people to bring about this revolution in one little valley."[8] Christian missionaries have had long experience in this kind of problem. They know the futility of trying to impose an alien culture on the indigenous institutions and outlook of a people. The theology of "radical displacement" is poor missionary strategy and equally poor economic doctrine.

It is sad to note how American interests, some of them deeply involved in cartels, express outrage at the furnishing of Marshall Plan funds to governments that have pursued the road to state socialism. The N.A.M. has shown its nearly antiquated methods by insisting that the U.S. Government should protect private investors by means of inter-governmental agreements, against expropriation, double taxation, or other treatment recognized as unfair in the American economy.

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[8] Cited from "Practical Problems of Point Four," *The Annals* (July, 1950) and quoted in *Information Service,* 30 (Feb. 3, 1951), No. 5.

To respect the right of other nations to evolve their own economies does not mean that they cannot go a long distance quickly if they put their wills to it. Russia has been quite impressive in this regard. But the industrial development of the U.S.S.R. both in cities and on the mechanized or collective farms has been bought at a price in human life which need not and must not be repeated. In a world committed to peace, free of threats to destroy socialism by force, it does not have to be attempted that way for the main cause will be gone. The democratic socialism of a mixed economy has the pluralistic elements needed for a strategy of industrialization that respects the wills of the citizens.

(6) The Point IV program provides a concrete way of discharging some of the moral obligation which this nation has accumulated. When President Truman launched the Point IV idea as a "bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas," he noted that more than half of the world's population lived in "conditions approaching misery," but he noted also that "for the first time in history, humanity possesses the knowledge and the skill to relieve the suffering of these people." "Our aim should be," said Mr. Truman, "to help the free peoples of the world, through their own efforts, to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens." He noted that this was to be a cooperative enterprise in which the nations work together through the United Nations and its specialized agencies wherever possible.

The question of the relation of private to public capital in the Point IV program is an important one. It cannot be either-or. It does relate to our discussion above on the post-war plans of the nations, on cartels and on imperialism. There will undoubtedly need to be a mixture plus patient cultural education as we have just seen. A narrow economic nationalism will not fulfill the requirements of either of these factors. James Warburg points out that in southeastern Asia, foreign capital, especially private capital, is identified, in the minds of the peoples emerging into freedom, with hated foreign colonial rule. "Private capital came first into most of their countries, and foreign rule came next, in order to protect private investment. The newly established independent nations will want foreign investments in their countries channeled through their own governments." [9] The relation of free enterprise to such a situation is stated realistically by the economist Theodore J. Kreps. We must prove our faith in free enterprise, he argues, by "vigorous antitrust action" and the removal of "business barriers to foreign and domestic trade and investment." Any investment treaties negotiated must "completely respect the individuality, the business mores, and the cultural preferences of other countries." Furthermore, "we must carefully refuse to indulge one of our favorite vices: telling other nations how to run their own affairs." [10]

These expressions by Warburg and Kreps express a principle which has been made explicit in the work of the Department of the Church and Economic Life of the National Council of Churches: "Assistance should be rendered in all cases only when the receiving country shares in the planning and is willing to cooperate effectively in the program. Great care must be taken in recruiting the right type of personnel and giving them special training in the culture and needs of the area to which they go. In implementing the Point IV program, it is vital that we demonstrate by both words and deeds that our interest in the well-being of peoples or underdeveloped nations, while related to our own well-being, is free from any desire to exploit or oppress them or to seek any special privileges. To this end technical assistances should be given to the people of underdeveloped countries in developing credit unions, agricultural and other cooperatives, and other types of economic organizations which lend themselves to ownership by the people themselves in underdeveloped areas." [11] The greatest weakness of the Point IV program is its exclusion of the Soviet orbit.

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[9] "A New Look at the Economic Challenge," *The Annals*, July, 1950, pp. 28 f.

[10] "Point Four and the Domestic Economy," ibid., p. 168.

[11] "The Responsibility of Christians in an Interdependent World" (Detroit Conference Statement and Reports, 1950), p. 7.

Another grave weakness is the small scale of its operation in comparison with the amounts spent for militarism.

The contribution to world peace which projects symbolized by Point IV can make is little less than miraculous. Two illustrations may suffice from China and India. Paul Hoffman has noted the significance of rural reconstruction in China for the winning of peace. Chester Bowles has presided over crucial "pilot" projects in India. The Joint Commission on Rural Reconstruction in China undertook simultaneously a threefold "social justice" program to improve health, to insure fair rentals for farmers and to increase production. The JCRR members lived and worked with the people. "I do not hesitate to say," notes Paul Hoffman, "that not since Lawrence's days in Arabia has a more sensitive or successful venture been carried out by any Westerners in the Near or Far East." [12] It was in the very provinces that the JCRR program had got under way, such as Szechwan, Kwangsei and Fukien, that the communist invaders found some of the most stubborn grass-roots resistance to their drive. "Deeds which lay the basis for physical well-being provide the hope and the faith which permit free people to make rational judgments." [13] In India a four-year plan proposed by Mr. Chester Bowles at a cost of only $200 million a year would by the end of that period have increased village food production by from 2½ to 3 million tons a year which is half India's present food deficit. With a yearly outlay of no more than the cost of a single new aircraft carrier India could be substantially assisted to make herself secure from communist infiltration or internal growth.[14] Such possibilities in the rural areas must be seen against the fact that nearly eighty percent of Asia's billion and a quarter people are farmers.

(7) In a responsible world, economy leaders and nations will be socially inventive in providing new instruments for cooperation and the development of trade and national economies that support one another. Such developments are seen in the International Trade

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[12] *Peace Can Be Won,* p. 55.

[13] Loc. cit.

[14] "Mr. Dulles or Mr. Bowles," *Christian Century* (June 4, 1952), p. 663.

Organization, in efforts of unions to cooperate on a world basis, in the International Labor Organization, in UNESCO, in the Commission on Human Rights and the like. It is important to seek the removal of barriers to world trade. Hence the growth of international agreements that overcome the negative effects of cartels are of crucial importance. On the other hand, it is necessary to build up the institutions of cooperative international financing. The goals of the International Monetary Fund and the International Bank for Reconstruction and Development are significant, but the whole needs supplementing by a yet bolder new idea. In the removal of barriers to world trade American initiative and faith are important factors.

(8) What is needed is the development of a spirit of neighborliness among the nations so that, despite differences in economic systems, cooperation for the common good can be achieved. In the foreseeable future there will continue to be marked differences in the various economies; but the differences in ends, conceptions of the general welfare of the peoples, need not be as great as the differences in means. We have already noted that broad social goals have been quite characteristic of post-war planning. Here is a broad base on which to build the spirit of unity and diversity. The belief that there is the possibility of accommodation between the systems in the U.S.A. and the U.S.S.R. to permit them to coexist and compete peacefully in the same world is an important factor in achieving this goal.[15] In any event such powers must surrender sovereignty voluntarily. That is spiritual reality which we must recognize. Though the systems appear to be at opposite poles from each other in some respects, both are actually mixed systems. Hence each can learn much from the other. In so far as fear that each might attack the other is the root of much of the tension, there are opportunities to release the tension through reduction of armaments and other policies of state. The American military policy is in danger of precipitating war and that would mean the end of the free-enterprise economy, for communism has grown by strides following each of the great wars. On the other

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[15] See *The United States and the Soviet Union: Some Quaker Proposals for Peace* (New Haven: Yale University Press, 1949), pp. 38-39.

hand, an extension of willingness to help rebuild the war-torn and devastated areas of Russia might be the occasion for a reduction of hatred. No opportunity should be overlooked to open channels of trade and encourage economic negotiations between these great powers. It is fortunate that the United Nations exists as a place where these powers at least meet each other. Whatever can be done to increase the sense of security in the world will assist in the reduction of the possibility of violent outbreak. Here the importance of the political arena comes once again to the fore. Communication is essential if there is to be community. To despair of the eventual meeting of minds is to succumb to the sin of believing in the inevitability of war. Faith in a world economy which is just, orderly, free, productive and fraternal is not beyond foreseeable possibilities. But whether such a partial historical expression of the Kingdom of God is made real in our time or not, it remains that we are children of the promise and in that sense of communal sonship we are called to live out our earthly and our heavenly vocation. And the fact of the ecumenical church, which is now world wide and which holds Christians together in a bond of worship and love despite all centrifugal social forces, is the earnest of that completed society which will one day thrive in the awareness of that ultimate meaning which unites the dignity of the person with the actualization of genuine community. Whether many within the organized church are aware of the social significance of their relationships or not, the fact remains that the highest integration of culture is found in that unity of criticism and compassion which is religion.[16] In the unity of reason and love which integrates both the individual and the community while supporting the integrity of each lies the concrete promise of the responsible society.

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[16] See Karl Mannheim, *Freedom, Power and Democratic Planning,* Chapter 13.

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